



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: ~~McKIE/HATCHER~~ UNIT NO.: 19C MODEL NO.: 1800

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on Sept 27, 1992, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<u>X Sharon McKie</u>	<u>9/27/92</u>
BUYER	DATE
<u>X Charles McKie</u>	<u>9/27/92</u>
BUYER	DATE

_____ BUYER	_____ DATE
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_____ BUYER	_____ DATE
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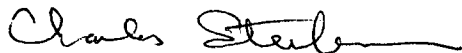
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV031906

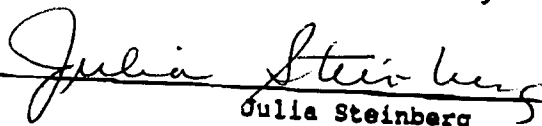
AMENDMENT TO PURCHASE AGREEMENT

SELLER: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.
BUYERS: CHARLES AND JULIA STEINBERG
PROPERTY: 45 CORNERSTONE LANE, NEWARK, NJ 07103
BUILDING: 19 UNIT: D

The Purchase Agreement on the above referenced property is hereby amended to delete Charles Steinberg as a buyer. The contract is now solely in the name of Julia Steinberg.



Charles Steinberg



Julia Steinberg

 Vice Pres.
K. Hovnanian at Newark Urban Renewal Corp. III, Inc.

KHOV031913

THIS INDENTURE
(Site C and E)

Dated MAY 27, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND CHARLES STEINBERG AND JULIA STEINBERG, H/W

the GRANTEE

about to reside at 45 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$142,687.67 ONE HUNDRED FORTY TWO THOUSAND SIX HUNDRED EIGHTY SEVEN AND 67/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. D, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.04, in Block No. 406, on the tax map of the City of Newark.

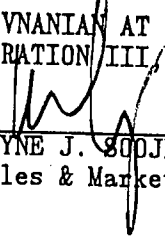
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Assp. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

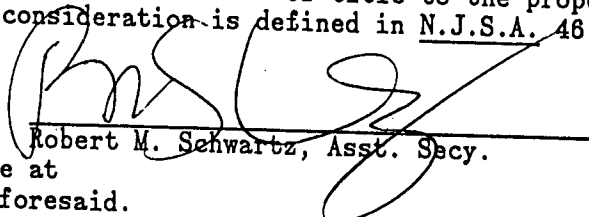
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

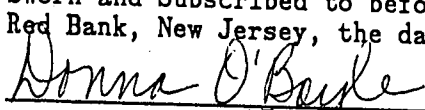
KHOV031921

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 27, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 142,687.67.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 27TH day of MAY, 1993.

GRANTEE CHARLES STEINBERG

GRANTEE JULIA STEINBERG

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 27TH day of MAY, 1993, before me, the subscriber CHARLES AND JULIA STEINBERG, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
CHARLES STEINBERG AND JULIA STEINBERG

CHARGE, RECORD AND RETURN TO JON A. FELDMAN, ESQUIRE
4 SLOAN STREET, SOUTH ORANGE, NJ 07079

KHOV031922

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A****St. Paul Fire & Marine**COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				GENERAL AGGREGATE \$ 2000000
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION				STATUTORY LIMITS
	<input type="checkbox"/> AND				EACH ACCIDENT \$
	<input type="checkbox"/> EMPLOYERS' LIABILITY				DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CHARLES STEINBERG AND JULIA STEINBERG, H/W **Fidelity Limit:** \$100,000.
LOC: 45 CORNERSTONE LANE, NEWARK, NJ 07103 (19D) LOT: 19.04 BLOCK: 406

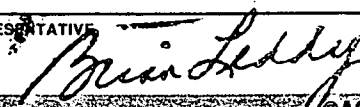
KH0V031931**CERTIFICATE HOLDER**

: N/A

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

RICHLAN, LUPO & PRONESTI

PROFESSIONAL LAND SURVEYORS



55 HECKEL STREET
BELLEVILLE, N. J. 07109

TEL: (201) 450-0170
FAX: (201) 450-0828

RE: Society Hill At University Heights III
A Condominium
Street No. 45 Cornerstone Lane
City Of Newark
Essex County, New Jersey

CERTIFIED TO:

CHARLES STEINBERG AND JULIA STEINBERG, H/W
FIRST AMERICAN TITLE INSURANCE COMPANY, EASTERN TITLE AGENCY
JON A. FELDMAN, ESQUIRE

I hereby certify that Condominium Unit Number 19D, Building Number 19, Lot 19.04, Block 406, has a percentage of interest in common elements of 0.1964 and assigned Parking Space Number 19D, is located as indicated on a Survey Map entitled "Plan Of Property, Society Hill At University Heights III, A Condominium, Phases 15 to 36, City Of Newark, Essex County, New Jersey", dated September 14, 1992, prepared by Richlan, Lupo & Pronesti, P.A., Land Surveyors, is annexed to and made part of a Master Deed entitled "Society Hill At University Heights III, A Condominium", dated December 20, 1990 and recorded in the Essex County Registers Office on December 21, 1990 in Deed Book 5151, Page No. 509, and by first amendment in Deed Book 5151, Page No. 611; and by second amendment in Deed Book 5160, Page No. 593, and by the third amendment, in Deed Book 5183, Page 481; and by the fourth amendment, deed dated November 21, 1991 and recorded in the Essex County Registers Office on January 27, 1992 in Deed Book 5199, Page 213.

Gerard A. Lupo, P.L.S.
N.J. Lic. No. 14814

MAY 20, 1993

Date

KHOV031932



____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: STEINBERG
Lot: 19.04 Block: 406
Address: 45 Cornerstone Lane
Newark, NJ 07103

Closing date: 5-28-93
Deed Amount: 142,687.67

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Charles Stanley
Buyer

Julia Steinberg
Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV031934

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): CHARLES STEINBERG (#) of 216 NORFOLK STREET
Tel: Res: (201) 623-5412 NEWARK
Bus: (201) 624-9821 NJ ,07103.

JULIA STEINBERG (W) of 216 NORFOLK STREET
Tel: Res: (201) 623-5412 NEWARK
Bus: (201) 507-6209 NJ ,07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 19.04
BLDG NO.: 19 , UNIT NO: D , MODEL: TPFG1800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 20-FEB-1993
ON SIGNING CONTRACT ~~\$1,000.00~~ ON DATE 20-FEB-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 22-MAR-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$ 0.00 MORTGAGE CONTINGENCY DATE: NOT APPLCBL
Estimated COMPLETION DATE: 15-MAR-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Charles Steinberg 2-20-93
(BUYER) DATE
Julia Steinberg 2-20-93
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

(SELLER) 4.6.93 DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV031935

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of February, 1993.

Buyer: x Charles Steenberg

Lisa M. Weems

Buyer: x Julia Steenberg

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

x Charles Steenberg 2-20-93
BUYER DATE

x Julia Steenberg 2-20-93
BUYER DATE

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

4-6-93
DATE

KHOV031939



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. + Mrs.
Steinberg

UNIT NO.: 19D

MODEL NO.: 1800

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 5/30, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

x Charles Steinberg 2-20-93
BUYER DATE

x Julie Steinberg 2-20-93
BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV031940

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Charles Steinberg

Julia Steinberg

, Buyer.

UNIT D, BLDG. 19

PURCHASE AGREEMENT DATED: 2/20/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 144,662.67

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$

\$ 9712.67

\$

\$

B) THE PAYMENT TERMS:

Deposit previously paid \$ 0.00

Deposit balance due \$ due on

Additional deposit \$ due on

Total deposit \$ 0.00

Balance due at closing
(cash of certified check) \$ 144,662.67

Total Purchase Price \$ 144,662.67

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ N/A

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by N/A, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

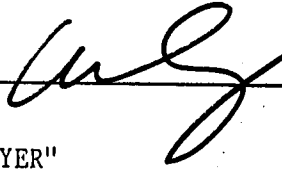
KHOV031943

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 4.6.93

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



DATE 4/3/93

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Sisa Weems

x Charles Stanley

x Julius Stanley

FORMS DS/PR/INCE
2/12/90

KHOV031944

THIS INDENTURE
(Site C and E)

Dated APRIL 30, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND CAROL A. JENKINS, UNMARRIED AND DOMINIC D. ABBONDANTE, UNMARRIED

the GRANTEE

about to reside at 47 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$119,134.67
ONE HUNDRED NINETEEN THOUSAND ONE HUNDRED THIRTY FOUR AND 67/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. E, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

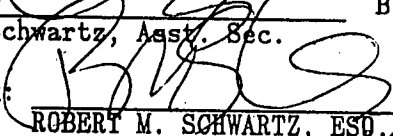
Being also known as Lot No. 19.05, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

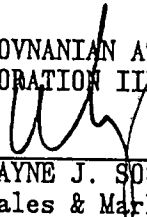

Robert M. Schwartz, Asst. Sec.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

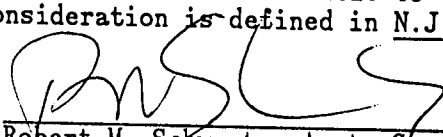
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

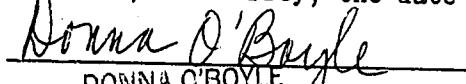
KHOV031957

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On APRIL 30, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 119,134.67.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 9, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 30TH day of APRIL, 1993.

GRANTEE CAROL A. JENKINS

GRANTEE DOMINIC D. ABBONDANTE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 30TH day of APRIL, 1993, before me, the subscriber CAROL A. JENKINS AND DOMINIC D. ABBONDANTE, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
CAROL A. JENKINS AND DOMINIC D ABBONDANTE

CHARGE, RECORD AND RETURN TO RICHARD K. SILBERBERG, ESQUIRE
28 MILLBURN AVENUE, P.O. BOX 226
SPRINGFIELD, NJ 07081

KHOV031958

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBear
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CAROL A. JENKINS, UNMARRIED AND DOMINIC C. ABBONDANTE, UNMARRIED Fidelity Limit \$100,000.
LOC: 47 CORNERSTONE LANE, NEWARK, NJ (19E) LOT: 19.05 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV031966

010036000



February 17, 1993

X Tax Collector

Utility of Newark
970 Broad Street
Newark, NJ 07103

____ Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: JENKINS/ABBONDANTE
Lot: 19.05 Block: 406
Address: 47 Cornerstone Lane
Newark, NJ 07103

Closing date: 4-30-93
Deed Amount: 119,134.67

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

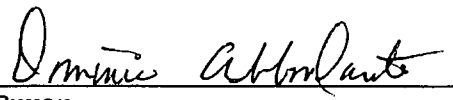
The bank who holds our mortgage is:

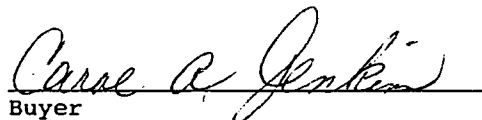
Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

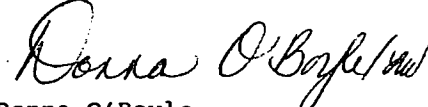
Please change your account records immediately to reflect the above.

Very truly yours,


Buyer


Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV031971

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): CAROL A. JENKINS (CJ) of 12 WILBURTON PLACE
Tel: Res: (201) 484-6496 NEWARK
Bus: (201) 538-1800 NJ ,07104.

DOMINIC D. ABBONDANTE (DA) of 12 WILBURTON PLACE
Tel: Res: (201) 484-6496 NEWARK
Bus: (201) 817-5926 NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 19.05
BLDG NO.: 19 , UNIT NO: E , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 17-FEB-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 17-FEB-1993
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 19-MAR-1993
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK

Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$112,400.00 MORTGAGE CONTINGENCY DATE: 18-APR-1993
Estimated COMPLETION DATE: ~~14-FEB-1993~~ 2-9-93 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV031972



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 20 day of February, 1993.

Buyer: Care A Jenkins

Buyer: Dominic Abbondante

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Care A Jenkins 2/20/93
BUYER DATE

Dominic Abbondante 2-20-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 38 P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Wayne Soojian 2-22-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV031976

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

CAROL A. JENKINS AND

DOMINIC ABBONDANTE

_____, Buyer.

UNIT E, BLDG. 19

PURCHASE AGREEMENT DATED: 2/17/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 120,009.67

Consisting of:

BASE PRICE of MODEL: \$ 115,950.00
and Premiums:

DS Number \$ _____
\$ 4059.67
\$ _____
\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00
Deposit balance due \$ 2,478.50 due on 3/19/93
Additional deposit \$ 121.79 due on _____
Total deposit \$ 3,600.29
Balance due at closing
(cash of certified check) \$ 116,409.38
Total Purchase Price \$ 120,009.67

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 116,400.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 4/18/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV031978

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

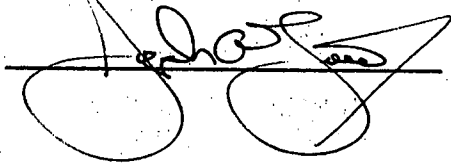
DATE 3-20-93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.


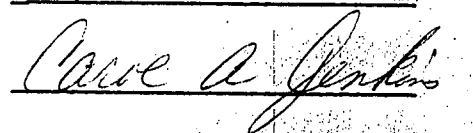

Wayne Soojian

DATE 3/20/03

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"

FORMS DS/PR/INCE
02/12/90

KHOV031979



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *TENKINS / ABANDONED* UNIT NO.: *19E* MODEL NO.: *1400813 GARAGE*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *2/20/93*, ~~1992~~
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<i>Carol A. Jenkins</i>	<i>2/20/93</i>
BUYER	DATE
<i>Dominic Attendant</i>	<i>2-20-93</i>
BUYER	DATE
_____ BUYER	_____ DATE
_____ BUYER	_____ DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV031980

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 22, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ABDUL R. AMADU-SUKA, MARRIED OK

the GRANTEE

about to reside at 49 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$125,638.98 ONE HUNDRED TWENTY FIVE THOUSAND SIX HUNDRED THIRTY EIGHT AND .98/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:
Unit No. F, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.06, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

Robert M. Schwartz, Asst. Sec.
Prepared by: ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
BY: WAYNE J. SOJIAN,
Sales & Marketing Director

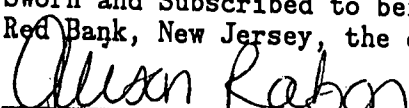
KHOV031989

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 22, 19 94 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 125,638.98.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 22ND day of FEBRUARY, 19 94.

GRANTEE ABDUL R. AMADU-SUKA

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 22ND day of FEBRUARY, 19 94, before me, the subscriber ABDUL R. AMADU-SUKA, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to

ABDUL R. AMADU-SUKA

CHARGE, RECORD AND RETURN TO

HARRY FRIELAND, ESQUIRE
ONE RIVERFRONT PLAZA
NEWARK, NJ 07102

KHOV031990

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

02/02/94

PRODUCERMeeker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSUREDSoc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.****COMPANIES AFFORDING COVERAGE**COMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****COVERAGES****THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED; NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.**

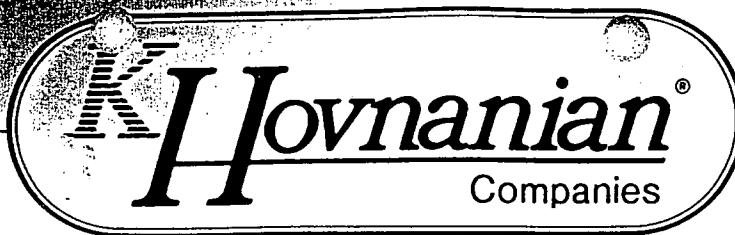
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 5000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 3000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER	BC02900238	1/01/94	1/01/95	\$11,475,000.
	Bldg. & Cnts				
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: ABDUL R. AMADU-SUKA, MARRIED
LOC: 49 CORNERSTONE LANE, NEWARK, NJ 07103 (19F) LOT: 19.06 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV031997

010036000



FEBRUARY 22, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: AMADU-SUKA
Lot: 19.06 Block: 406
Address: 49 CORNERSTONE LANE
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 22, 1994

Deed Amount: \$125,638.98

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

ABDUL R. AMADU-SUKA

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032003



FEBRUARY 22, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: AMADU-SUKA
Lot: 19.06 Block: 406
Address: 49 CORNERSTONE LANE
NEWARK, NJ 07103

Closing date: FEBRUARY 22, 1994

Deed Amount: \$125,638.98

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

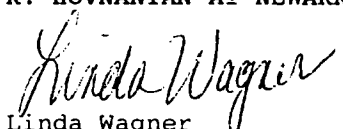
Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


ABDUL R. AMADU-SUKA

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032004

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ABDUL R. AMADU-SUKA (H) of 16 MARSHALL STREET APT #5K
Tel: Res: (201) 371-0717 IRVINGTON
Bus: () - NJ ,07111.

MAMIE M. AMADU-SUKA (W) of 16 MARSHALL STREET APT #5K
Tel: Res: (201) 371-0717 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 19.06
BLDG NO.: 19 , UNIT NO: F , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$122,950.00
Consisting of:
BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 29-AUG-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 29-AUG-1993
ADDITIONAL DEPOSIT \$ 2,688.50 BY DATE 28-SEP-1993
BALANCE at CLOSING \$120,261.50 PAID by CERTIFIED CHECK
Total PAYMENT \$122,950.00

MORTGAGE AMOUNT : \$116,800.00 MORTGAGE CONTINGENCY DATE: 28-OCT-1993
Estimated COMPLETION DATE: 15-MAR-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) Amadu-Suka 8/29/93
(BUYER) Mamie M. Amadu-Suka 8/29/93
(BUYER) _____ DATE
(BUYER) _____ DATE
(BUYER) _____ DATE

(SELLER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032011



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 29 day of August, 1993.

Buyer: Annade Suba

[Signature]

Buyer: Maue Suba

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Annade Suba 8/29/93
BUYER DATE

Maue Suba 8/29/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature] 9.1.93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032015

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 19

Unit No.: F

The Purchase Agreement between Abdul R. Amadu-Suka BUYER(S)
Mamie M. Amadu-Suka BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 9/1/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 125,638.98
2. THE DEPOSITS PAID ARE INCREASED TO \$ 6,647.50
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 118,991.48
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 118,900.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 125,638.98
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

X 12/24/93
DATE

X Mamie M. Amadu-Suka
BUYER

X Abdul R. Amadu-Suka
BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032017

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Abdul R. Amadu-Suka

Mamie M. Amadu-Suka, Buyer.

UNIT: F BLDG. 19

PURCHASE AGREEMENT DATED: 9/1/93

(1) Seller will give a credit to Buyer at the closing to
be taken from the Total Purchase Price of the Unit and
Decorator Selections equal to: \$1480.00

✓ (2) This credit program is available only to Buyers of
Units within certain buildings comprising Society Hill at
University Heights III a Condominium (chosen at Seller's
discretion) and to those Buyers who sign Purchase Agreements
and Decorator Selection Riders and who close title or
otherwise comply with this addendum.

DATE 12/22/93

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

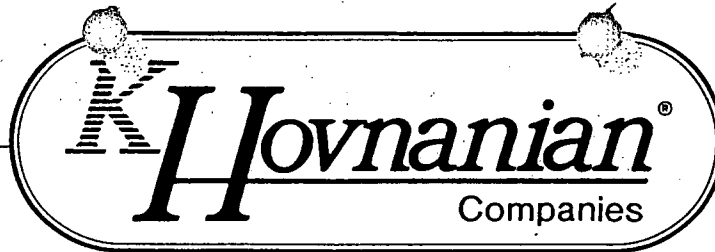
DATE 12/24/93

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

"BUYER"

[Signature]
X [Signature]
X [Signature]

KHOV032018



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: AMADU-SOKA BLDG./UNIT NO: 19F MODEL NO: 1500-BB

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 8/29, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Amadu Soka

BUYER

8/29/93

DATE

Mame Soka

BUYER

8/29/93

DATE

BUYER

DATE

BUYER

DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032019

THIS INDENTURE
(Site C and E)

Dated MAY 27, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JAMES A. FORBES, MARRIED

the GRANTEE

about to reside at 38 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$128,953.89
ONE HUNDRED TWENTY EIGHT THOUSAND NINE HUNDRED FIFTY THREE AND 89/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. G, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90 in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.07, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

BY:


LAURA VANVELTHOVEN,
Sales Manager

KHOV032031

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

5/27/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E**

INSURED Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
<input checked="" type="checkbox"/>	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
<input type="checkbox"/>	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
<input type="checkbox"/>	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
<input type="checkbox"/>	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE—POLICY LIMIT \$ DISEASE—EACH EMPLOYEE \$
<input checked="" type="checkbox"/>	OTHER Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
<input checked="" type="checkbox"/>	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JAMES A. FORBES, MARRIED
LOC: 38 MARROW STREET, NEWARK, NJ 07103 (19G) LOT: 19.07 BLOCK: 406

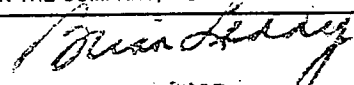
KHOV032036**CERTIFICATE HOLDER**

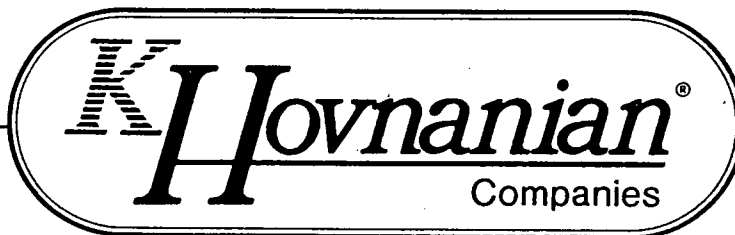
K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

 010036000



X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: FORBES
Lot: 19.07 Block: 406
Address: 38 MARROW STREET
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: May 27, 1994

Deed Amount: 128,953⁸⁹

Certificate of
Occupancy date: 2-17-94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

James A. Forbes
JAMES A. FORBES

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032040

K Hovnanian®

Companies

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: FORBES
Lot: 19.07 Block: 406
Address: 38 MARROW STREET
NEWARK, NJ 07103

Closing date: May 27, 1994
Deed Amount: 128,953⁸⁹

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

James A. Forbes
JAMES A. FORBES

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032041

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K. HOVNANIAN NEWARK-URB RENEWAL CORP. Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JAMES A FORBES (M) of 11 MAPLE STREET/APT C9
Tel: Res: (718) 462-6177 BROOKLYN
Bus: (917) 784-6630 NY 11225.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 19.07
BLDG NO: 19 UNIT NO: G MODEL: TPTG1500-BB

The PURCHASE PRICE : \$122,950.00
Consisting of:
BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE 19-MAR-1994
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE 19-MAR-1994
	ADDITIONAL DEPOSIT	\$ 2,688.50	BY DATE 18-APR-1994
	BALANCE at CLOSING	\$119,261.50	PAID by CERTIFIED CHECK
	Total PAYMENT	\$122,950.00	

MORTGAGE AMOUNT : \$119,250.00 MORTGAGE CONTINGENCY DATE: 18-MAY-1994
Estimated COMPLETION DATE: 14-FEB-1993
BY MON YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

x James A Forbes 3/19/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032043

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn.

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will)(will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 19th day of March, 1994.

Buyer: x James A Folted

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

x James A Folted 3/19/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Laura Vanvelthoven 3/20/94
LAURA VANVELTHOVEN DATE
SALES MANAGER

KHOV032047

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 19

UNIT: G

The Purchase Agreement Between James A. Forbes, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 3/19/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,568.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 129,568.89
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 126,650.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,953.89.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4/9/94
DATE

James Forbes
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV032052

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

James A. Forbea

_____, Buyer.

UNIT: G BLDG.: 19 PURCHASE AGREEMENT DATE: 3/19/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with K. Hovnanian Mortgage Co., Inc.; if Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.

* James Forbea
BUYER

4/9/94
DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 

LAURA VANVELTHOVEN
SALES MANAGER

KHOV032053



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. Forbes

BLDG/UNIT: 19G

MODEL: 1500

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3/18, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<u>to James A Forbes</u>	<u>3-19-94</u>
BUYER	DATE
_____ BUYER	_____ DATE
_____ BUYER	_____ DATE
_____ BUYER	_____ DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032056

THIS INDENTURE
(Site C and E)

Dated JULY 29, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND OLIVER L. BRAITHWAITE, MARRIED

the GRANTEE

about to reside at 36 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$119,953.11
ONE HUNDRED NINETEEN THOUSAND NINE HUNDRED FIFTY THREE AND 11/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. H, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.08, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

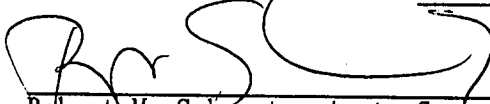
BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

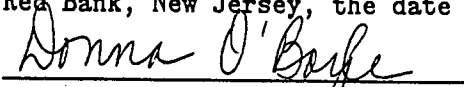
KHOV032066

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On JULY 29, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 119,953.11.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 29TH day of JULY, 1993.

GRANTEE OLIVER L. BRAITHWAITE GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 29TH day of JULY, 1993, before me, the subscriber OLIVER L. BRAITHWAITE, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
OLIVER L. BRAITHWAITE

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER-KING, JR. BLVD.
NEWARK, NJ 07102

KHOV032067

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc.Hill 2 University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A St. Paul Fire & Marine

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	CLAIMS MADE X OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	NON-OWNED AUTOS				EACH OCCURRENCE \$
	GARAGE LIABILITY				AGGREGATE \$
	EXCESS LIABILITY				STATUTORY LIMITS
	UMBRELLA FORM				EACH ACCIDENT \$
	OTHER THAN UMBRELLA FORM				DISEASE-POLICY LIMIT \$
	WORKER'S COMPENSATION				DISEASE-EACH EMPLOYEE \$
	AND				
	EMPLOYERS' LIABILITY				
	OTHER				
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE
A TRUE COPY

7/27/93

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: OLIVER L. BRAITHWAITE, MARRIED
LOC: 36 MARROW STREET, NEWARK, NJ 07103 (19H) LOT: 19.08 BLOCK: 406

Fidelity Limit: \$100,000.

CERTIFICATE HOLDER

K. HOVANANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Brian L. Ladd 010036000



April 4, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

____ Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BRAITHWAITE
Lot: 19.08 Block: 406
Address: 36 Marrow Street
Newark, NJ 07103

Closing date: 7-29-93
Deed Amount: 119,953.11

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

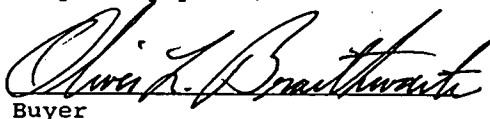
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

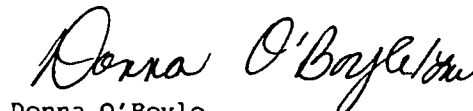
Please change your account records immediately to reflect the above.

Very truly yours,


Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032078

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): OLIVER L BRAITHWAITE (M) of 20 MARSHALL STREET/APT 3F
Tel: Res: (201) 416-8268 IRVINGTON
Bus: (718) 963-4946 NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 405 , LOT NO: 19.08
BLDG NO.: 19 , UNIT NO: H , MODEL: 1FTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 03-APR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 03-APR-1993
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 03-MAY-1993
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 02-JUN-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.
(SELLER) *[Signature]* 4.6.93 DATE

[Signature] 4/3/93
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032080



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of April, 1993.

Buyer:

Chris L. Brathwaite

Lisa M. Weems

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Chris L. Brathwaite 4/3/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

4-6-93

DATE

KHOV032084

OK

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Oliver Brantwhite

_____, Buyer.

UNIT A, BLDG. 19

PURCHASE AGREEMENT DATED: 4/6/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 121,538.11

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>115,950.00</u>
DS Number	\$ _____
_____	\$ <u>5588.11</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,161.64</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ <u>2,478.50</u>	due on <u>5/1/93</u>
Total deposit	\$ <u>3640.14</u>	
Balance due at closing (cash of certified check)	\$ <u>117,891.97</u>	
Total Purchase Price	\$ <u>121,538.11</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 104,350.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 6/2/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032086

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.4.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 5/1/93

"BUYER"

Oliver L. Brantworth

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Lia Weiss

FORMS DS/PR/INCE
2/12/90

KHOV032087

THIS INDENTURE
(Site C and E)

Dated JULY 30, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND MARY RIBEIRO, UNMARRIED

the GRANTEE

about to reside at 30 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$121,526.63
ONE HUNDRED TWENTY ONE THOUSAND FIVE HUNDRED TWENTY SIX AND 63/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. K, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.11, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

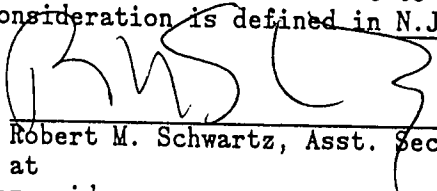
BY: WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: ROBERT M. SCHWARTZ, ESQ.

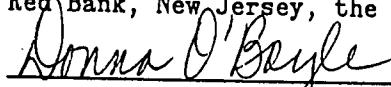
KHOV032102

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On JULY 30, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 121,526.63.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



DONNA O'BOYLE

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 30TH day of JULY, 1993.

GRANTEE MARY RIBEIRO

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 30TH day of JULY, 1993, before me, the subscriber MARY RIBEIRO, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
MARY RIBEIRO

CHARGE, RECORD AND RETURN TO

JEFFREY FOUSHEE, ESQUIRE

3 NORTH ARLINGTON AVENUE, EAST ORANGE, NJ 07017

KHOV032103

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc.Hill 2 University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY				GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	PRODUCTS-COMP/OP AGG. \$ 1000000
	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				EACH OCCURRENCE \$
	NON-OWNED AUTOS				AGGREGATE \$
	GARAGE LIABILITY				
	EXCESS LIABILITY				STATUTORY LIMITS
	UMBRELLA FORM				EACH ACCIDENT \$
	OTHER THAN UMBRELLA FORM				DISEASE-POLICY LIMIT \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				DISEASE-EACH EMPLOYEE \$
OTHER	A Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: MARY RIBEIRO, UNMARRIED

Fidelity Limit: \$100,000.

LOC: 30 MARROW STREET, NEWARK, NJ 07103 (19K) LOT: 19.11 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

KH0V032109

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000



May 3, 1993

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: RIBEIRO
Lot: 19.11 Block: 406
Address: 30 Marrow Street
Newark, NJ 07103

Closing date: 7-30-93
Deed Amount: 121,526.63

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Mary Ribeiro
Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032114

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP (Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): WANDA F BISHOP (u) of 1765A MANOR DRIVE
Tel: Res: (201) 416-9221 IRVINGTON
Bus: (201) 645-5918 NJ 07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 19.10
BLDG NO.: 19 , UNIT NO: J , MODEL: TFFG1800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	20-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	20-SEP-1992
	ADDITIONAL DEPOSIT	\$ 3,048.50	BY DATE	20-OCT-1992
	BALANCE at CLOSING	\$130,901.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$134,950.00		

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 19-NOV-1992
Estimated COMPLETION DATE: 15-MAR-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701.

KHOV032115



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. INSULATION—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 8, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction); inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 27 day of September, 1992.

Buyer: Wanda Jane Bishop

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Wayne Soojan

WAYNE SOOJAN,
DIRECTOR OF MARKETING AND SALES

DATE 9-30-92

KHOV032119

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 19

Unit No.: K

The Purchase Agreement between Mary Ribic BUYER(S)
_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 5/1/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,561.63
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,706.85
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,854.78
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 119,850.62
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,526.63.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

6/5/93
DATE

Mary Ribic
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: WJ
WAYNE SOUJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032121

AR

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

WANDA F. BISHOP

_____, Buyer.

UNIT J, BLDG. 19

PURCHASE AGREEMENT DATED: 9/20/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 144,605.84

Consisting of:

BASE PRICE of MODEL:
and Premiums:

\$ 134,950.00

DS Number

\$ _____

\$ 9,655.84

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid

\$ 1,000.00

Deposit balance due

\$ 3,048.50 due on 10/20/92

Additional deposit

\$ 289.38 due on 12/22/92

Total deposit

\$ 4,337.88

Balance due at closing
(cash of certified check)

\$ 140,267.96

Total Purchase Price

\$ 144,605.84

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 135,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/19/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032122

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

DATE 12/23/92

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

[Signature]

FORMS DS/PR/INCE
2/12/90

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

"BUYER"

Wanda D. Bishop

KHOV032123

THIS INDENTURE
(Site C and E)

Dated MAY 26, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND GEORGE W. REYNOLDS AND ELIZABETH T. PERRY, H/W

the GRANTEE

about to reside at 34 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$141,525.28 ONE HUNDRED FORTY ONE THOUSAND FIVE HUNDRED TWENTY FIVE AND 28/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. I, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.09, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

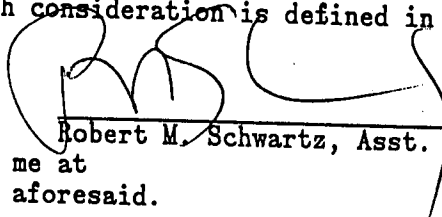
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

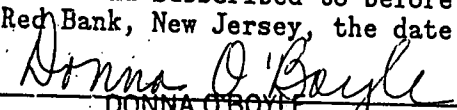
KHOV032136

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 26, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 141,525.28.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 26TH day of MAY, 1993.

GRANTEE GEORGE W. REYNOLDS

GRANTEE ELIZABETH T. PERRY

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 26TH day of MAY, 1993, before me, the subscriber GEORGE W. REYNOLDS AND ELIZABETH T. PERRY, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
GEORGE W. REYNOLDS AND ELIZABETH T. PERRY

CHARGE, RECORD AND RETURN TO ANTHONY J. LARUSSO, ESQUIRE
175 FAIRFIELD AVENUE, UNIT 1C
WEST CALDWELL, NJ 07006

KHOV032137

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	<input type="checkbox"/> AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				EACH OCCURRENCE \$
	<input type="checkbox"/> GARAGE LIABILITY				AGGREGATE \$
	<input type="checkbox"/> EXCESS LIABILITY				STATUTORY LIMITS
	<input type="checkbox"/> UMBRELLA FORM				EACH ACCIDENT \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
	<input type="checkbox"/> WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: GEORGE W. REYNOLDS AND ELIZABETH T. PERRY, H/W Fidelity Limit: \$100,000.
LOC: 34 MARROW STREET, NEWARK, NJ 07103 (19I) LOT: 19.09 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV032146

010036000

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMarker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
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c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
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	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: GEORGE W. REYNOLDS AND ELIZABETH T. PERRY, H/W Fidelity Limit: \$100,000.
LOC: 34 MARROW STREET, NEWARK, NJ 07103 (191) LOT: 19.09 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KH0V032147

010036000



March 6, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: PERRY/REYNOLDS
Lot: 19.09 Block: 406
Address: 34 Marrow Street
Newark, NJ 07103

Closing date: 5-26-93
Deed Amount: 141,525.28

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

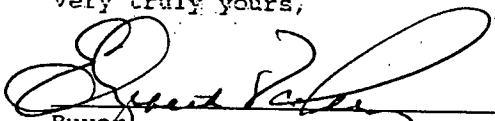
The bank who holds our mortgage is:

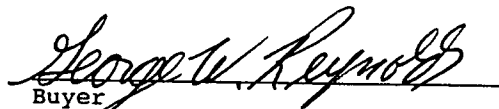
Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


Buyer


Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032152

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ELIZABETH T PERRY (W) of 77 MONTROSE AVENUE
Tel: Res: (201) 761-5371 SOUTH ORANGE
Bus: (201) 824-9201 NJ ,07079.

GEORGE W REYNOLDS (H) of 77 MONTROSE AVENUE
Tel: Res: (201) 761-5371 SOUTH ORANGE
Bus: (201) 824-9201 NJ ,07079.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 19.09
BLDG NO.: 19 , UNIT NO: 1 , MODEL: TFFG1800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 05-MAR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 05-MAR-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 04-APR-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 04-MAY-1993
Estimated COMPLETION DATE: 15-MAR-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032154



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 5th day of March, 1993.

Buyer:

[Signature]

Lisa M. Weems

Buyer:

[Signature]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

[Signature] 3/5/93
DATE

BUYER

[Signature] 3/5/93
DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:

[Signature]
WAYNE SOOMAN,
DIRECTOR OF MARKETING AND SALES

3-5-93
DATE

KHOV032158

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Elizabeth T. Perry

George W. Reynolds

, Buyer.

UNIT I, BLDG. 19

PURCHASE AGREEMENT DATED: 3/5/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 142,760.28

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____
\$ 7810.28
\$ _____
\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00
Deposit balance due \$ _____ due on _____
Additional deposit \$ _____ due on _____
Total deposit \$ 1,000.00
Balance due at closing \$ 141,760.28
(cash of certified check)
Total Purchase Price \$ 142,760.28

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 138,450.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 5/4/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032160

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

DATE March 19, 1993

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Sara Weiss

FORMS DS/PR/INCE
2/12/90

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

"BUYER"

KHOV032161



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Elizabeth Perry
George Reynolds

UNIT NO.: 195

MODEL NO.: 1842

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3/5, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

George J. Reynolds 3/5/93
BUYER DATE

George W. Reynolds 3/5/93
BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032166

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 25, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND WANDA F. BISHOP, UNMARRIED

the GRANTEE

about to reside at 32 MARROW STREET, NEWARK, NJ 07103

ONE HUNDRED ~~FOURTY TWO THOUSAND THREE HUNDRED EIGHTY AND 84/100~~ The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$142,380.84 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. J, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.10, in Block No. 408, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:


WAYNE J. SULLIVAN,
Sales & Marketing Director

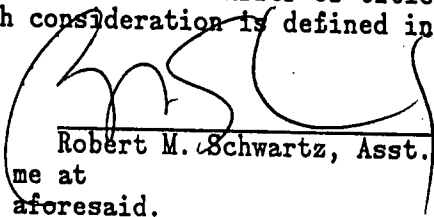
Prepared by:


ROBERT M. SCHWARTZ, ESQ.

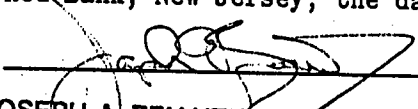
KHOV032176

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 25, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 142,380.84.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 8, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 25 day of FEBRUARY 19 93

GRANTEE WANDA F. BISHOP

GRANTEE _____

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 25 day of FEBRUARY, 19 93 before me, the subscriber WANDA F. BISHOP, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
WANDA F. BISHOP

CHARGE, RECORD AND RETURN TO PATRICIA A. HURT, ESQUIRE
35 IRVING STREET, MONTCLAIR, NJ 07042

KHOV032177

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016
908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	St. Paul Fire & Marine
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Soc. Hill 2 University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY				
	EXCESS LIABILITY	CERTIFIED TO BE A TRUE COPY			EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: WANDA F. BISHOP, UNMARRIED

LCC: 32 MARROW STREET, NEWARK, NJ 07103 (19J) LOT: 19.10 BLOCK: 406

Fidelity Limit \$100,000.

KH0V032184

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

* S U M M A R Y O F B A S I C P R O V I S I O N S *

IC10

The SELLER: K.HOVNANIAN GNEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): MARY RIBEIRO (u) of 20 GLENRIDGE AVENUE/APT J12
Tel: Res: (201) 783-7071 MONTCLAIR
Bus: (201) 621-6099 NJ ,07042.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 19.11
BLDG NO.: 19 , UNIT NO: K , MODEL: TPTG1400-BB)

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 01-MAY-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 01-MAY-1993
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 31-MAY-1993
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK

Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 30-JUN-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Mary Ribeiro 5-1-93

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

[Signature] 5.4.93

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032189

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1st day of May, 1993.

Buyer: Mary Ribeiro

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Mary Ribeiro 5-1-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 5.4.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032193

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Mary Riscino

_____, Buyer.

UNIT K, BLDG. 19

PURCHASE AGREEMENT DATED: 5/1/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 122,461.63

Consisting of:

BASE PRICE of MODEL: \$ 115,950.00
and Premiums:

DS Number \$ _____

_____ \$ 6511.63

_____ \$ _____

_____ \$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ _____ due on _____

Total deposit \$ 1,000.00

Balance due at closing
(cash of certified check) \$ 121,461.63

Total Purchase Price \$ 122,461.63

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 118,750.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 6/30/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032194

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.18.93

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

Wg

DATE 5/9/93

"BUYER"

Mary Libens

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

John Weems

FORMS DS/PR/INCE
2/12/90

KHOV032195

ar

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 19

Unit No.: K

The Purchase Agreement between Mary Ribeiro BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 5/1/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,561.63
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,706.85
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,854.78
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 119,850.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,526.63.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

6/5/93
DATE

Mary Ribeiro
BUYER

BUYER

BUYER

SELLER CORPORATION

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032203



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ms. Ribeiro*

BLDG./UNIT NO: *19K*

MODEL NO: *1400*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *5/1*, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

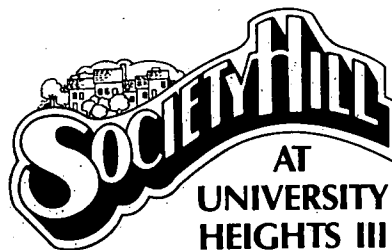
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

** Mary Ribeiro* *5-1-93*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032204

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DEBORAH Y. LATIMER, UNMARRIED

the GRANTEE

about to reside at 28 MARROW STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$127,731.10
ONE HUNDRED TWENTY SEVEN THOUSAND SEVEN HUNDRED THIRTY ONE AND 10/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. L, in Building No. 19, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 19.12, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV032211

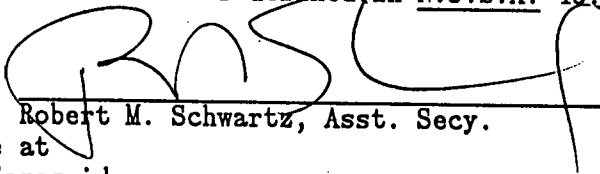
Robert M. Schwartz, Asst. Sec.

Prepared by:

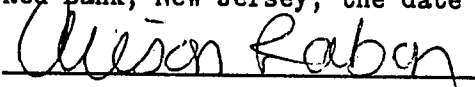
ROBERT M. SCHWARTZ, ESQ.

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 127,731.10.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY SPECIFIC POWER OF ATTORNEY
My Commission Expires June 28, 1996

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE DEBORAH Y. LATIMER

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber DEBORAH Y. LATIMER, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
DEBORAH Y. LATIMER

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE

535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV032212

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
<input checked="" type="checkbox"/>	GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 5000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 3000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
<input type="checkbox"/>	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
<input type="checkbox"/>	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
<input type="checkbox"/>	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
<input checked="" type="checkbox"/>	OTHER	BC02900238	1/01/94	1/01/95	\$11,475,000.
	A Blkt Bldg. & Cnts				\$100,000.
<input checked="" type="checkbox"/>	Fidelity	BC02900238	1/01/94	1/01/95	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: DEBORAH Y. LATIMER, UNMARRIED
LOC: 28 MARROW STREET, NEWARK, NJ 07103 (19L) LOT: 19.12 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV032218

010036000



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: LATIMER
Lot: 19.12 Block: 406
Address: 28 MARROW STREET
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$127,731.10

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:


Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


DEBORAH Y. LATIMER

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032224

K Hovnanian[®]

Companies

MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: LATIMER
Lot: 19.12 Block: 406
Address: 28 MARROW STREET
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$127,731.10

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

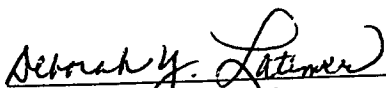
The bank who holds our mortgage is:

Our Mortgage Account No.:

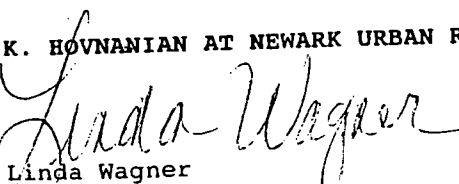
Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


DEBORAH Y. LATIMER

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032225

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DEBORAH Y LATIMER (u) of 609 SACKMAN STREET
Tel: Res: (718) 485-0809 BROOKLYN
Bus: (212) 890-2726 NY ,11212.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 19.12
BLDG NO: 19 , UNIT NO: E , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$122,950.00
Consisting of:
BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 27-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 27-NOV-1993
ADDITIONAL DEPOSIT \$ 2,688.50 BY DATE 27-DEC-1993
BALANCE at CLOSING \$119,261.50 PAID by CERTIFIED CHECK
Total PAYMENT \$122,950.00

MORTGAGE AMOUNT : \$119,250.00 MORTGAGE CONTINGENCY DATE: 26-JAN-1994
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

12.2.93

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032226



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 27th day of November, 1993.

Buyer: *Deborah J. Lerner*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Deborah J. Lerner 11/27/93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *Wayne Soojian* 12.2.97
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032230

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 19

Unit No.: L

The Purchase Agreement between Deborah Y. Latimer BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 11/27/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 128,891.10

2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,866.73

3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 125,024.37

4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 118,500.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 127,731.10

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

1/9/94
DATE

Deborah Y. Latimer
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojin

WAYNE SOOJIN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032234

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Deborah Y. Satimer

_____, BUYER

UNIT L, BUILDING 19, PURCHASE AGREEMENT DATE 12/2/93

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSSES ON THE SAID MORTGAGE AND CLOSSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

x Deborah Y. Satimer 2/28/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: Wayne Soojian
WAYNE SOOJIAN
DIRECTOR OF SALES AND MARKETING

KHOV032235



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. *fatimer*

BLDG./UNIT NO: *192*

MODEL NO: *1500*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *11/27*, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Deborah J. fatimer *11/27/93*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032239

THIS INDENTURE
(Site C and E)

Dated MAY 21, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DEBRA D. KING, UNMARRIED

the GRANTEE

about to reside at 41 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$132,700.00
ONE HUNDRED THIRTY TWO THOUSAND SEVEN HUNDRED AND 00/100----- Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. A, in Building No. 20, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 20.01, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

Robert M. Schwartz, Asst. Sec.

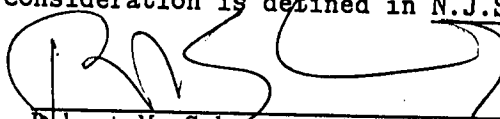
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

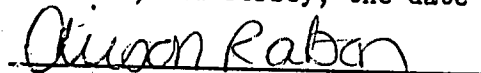
KHOV032249

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 21, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 132,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 21ST day of MAY, 1993.

GRANTEE DEBRA D. KING

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 21ST day of MAY, 1993, before me, the subscriber DEBRA D. KING, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
DEBRA D. KING

CHARGE, RECORD AND RETURN TO MALLARY STEINFELD, ESQUIRE
18 BANK STREET, MORRISTOWN, NJ 07960

KHOV032250

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DEBRA D. KING, UNMARRIED

Fidelity Limit \$100,000.

LOC: 41 YANCY DRIVE, NEWARK, NJ 07103 (20A) LOT: 20.01 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

KHOV032259



March 17, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: KING
Lot: 20.01 Block: 406
Address: 41 Yancy Drive
Newark, NJ 07103

Closing date: 5-21-93
Deed Amount: 132,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

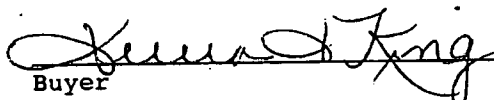
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

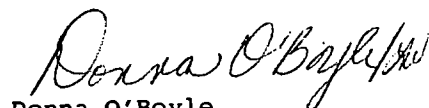
Please change your account records immediately to reflect the above.

Very truly yours,


Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032262

SUMMARY OF BASIC PROVISIONS
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IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DEBRA D. KING (u) of 361 FRANKLIN STREET #32
Tel: Res: (201) 743-7743 BLOOMFIELD
Bus: (908) 474-7773 NJ ,07003.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 20.01
BLDG NO.: 20 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 16-MAR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 16-MAR-1993
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 15-APR-1993
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK

Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,100.00 MORTGAGE CONTINGENCY DATE: 15-MAY-1993
Estimated COMPLETION DATE: 15-MAY-1993
30-MAY-1993 42 MONTH-YEAR
=====

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701
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KHOV032263



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

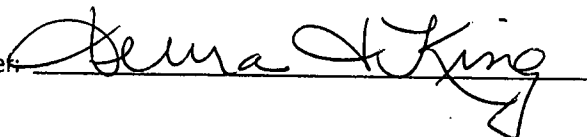
C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 16 day of March, 1993.

Buyer: 



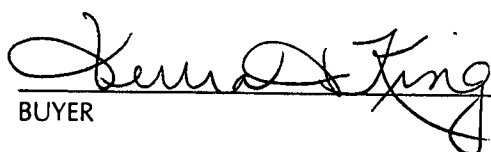
Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

 3/16/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY:  3-22-93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV032267



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: KING

BLDG./UNIT NO: 20A

MODEL NO: 1500-BB

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3/16/93, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

James King
BUYER

3/16/93
DATE

BUYER

DATE

BUYER

DATE

BUYER

DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032272

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 25, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND WENDY L. AUSTIN, UNMARRIED AND JUDITH R. SMALL, UNMARRIED
the GRANTEE

about to reside at 43 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$115,950.00
ONE HUNDRED FIFTEEN THOUSAND NINE HUNDRED FIFTY AND 00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. B, in Building No. 20, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 20.02, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

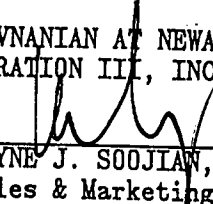

Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

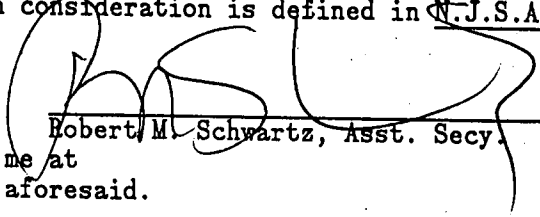
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV032283

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 25, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 115,950.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 25 day of FEBRUARY 19 93

GRANTEE WENDY L. AUSTIN

GRANTEE JUDITH R. SMALL

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 25 day of FEBRUARY, 19 93, before me, the subscriber WENDY L. AUSTIN AND *, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

* JUDITH R. SMALL

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
WENDY L. AUSTIN AND JUDITH R. SMALL

CHARGE, RECORD AND RETURN TO TERRENCE HULL. ESQUIRE
853 KEARNY AVENUE, KEARNY, NJ 07032

KHOV032284



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

1

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016
908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt.
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE
A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: WENDY L. AUSTIN, UNMARRIED AND JUDITH R. SMALL, UNMARRIED
LOC: 43 YANCY DRIVE, NEWARK, NJ 07103 (20B) LOT: 20.02 BLOCK: 406

Fidelity Limit \$100,000.

KH0V032292

CERTIFICATE HOLDER

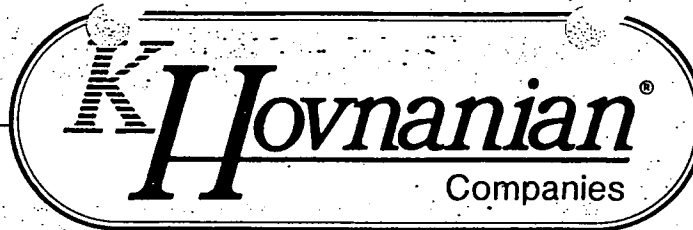
FIRST FINANCIAL MORTGAGE CORPORATION
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL ¹⁰ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000



November 2, 1992

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. Hovnanian at Newark
Urban Renewal Corporation
III, Inc.

To: AUSTIN/SMALL
Lot: 20.02 Block: 406
Address: 43 Yancy Drive
Newark, NJ 07103
Closing date: 2-25-93

DEED AMT: 115,950.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

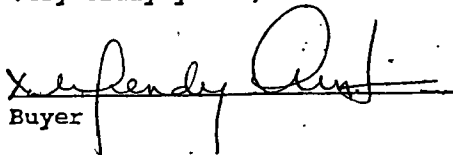
The bank who holds our mortgage is:

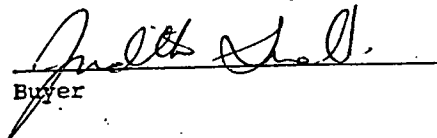
Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.


Please change your account records immediately to reflect the above.

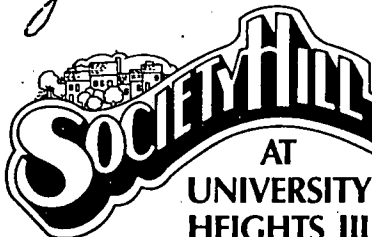
Very truly yours,


Buyer


Buyer

K. HOVNANIAN OF NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032295

S U M M A R Y O F B A S I C P R O V I S I O N S

IC16

The SELLER: K.HOVNANIAN (NEWARK-URB REDEVELOPMENT CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): WENDY L. AUSTIN (u) of 30 WILLIAM STREET
Tel: Res: (201) 672-0668 EAST ORANGE
Bus: (212) 522-4695 NJ ,07017.

JUDITH R. SMALL (u) of 30 WILLIAM STREET
Tel: Res: (201) 672-0668 EAST ORANGE
Bus: (212) 522-7973 NJ ,07017.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL UNIVERSITY HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 20.02
BLDG NO.: 20 , UNIT NO: B , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	01-NOV-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	01-NOV-1992
	ADDITIONAL DEPOSIT	\$ 2,478.50	BY DATE	01-DEC-1992
	BALANCE at CLOSING	\$12,471.50	PAID by CERTIFIED CHECK	
	Total PAYMENT	\$115,950.00		

MORTGAGE AMOUNT: \$112,400.00 MORTGAGE CONTINGENCY DATE: 31-DEC-1992
Estimated COMPLETION DATE: 14-FEB-1993
BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

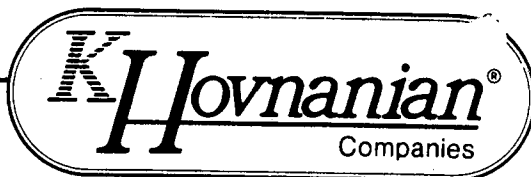
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032297



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 8, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1 day of October, 1992.

Buyer: [Signature]

[Signature]

Buyer: [Signature]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

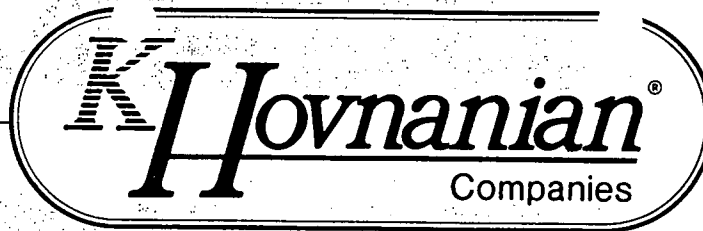
[Signature] 11/1/92
BUYER DATE

[Signature] 11/1/92
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature] 11/1/92
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032301



February , 1993

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BRADY
Lot: 20.03 Block: 406
Address: 45 Yancy Drive
Newark, NJ 07103

Closing date: 2/25/93
Deed Amount: 138,649.16

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

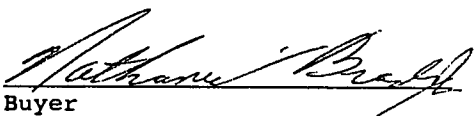
The bank who holds our mortgage is:

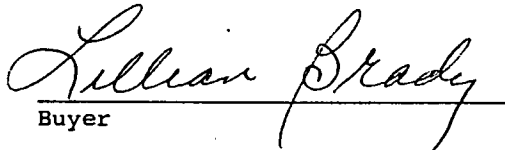
Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

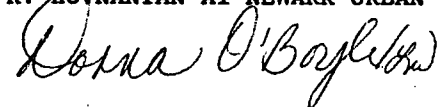
Please change your account records immediately to reflect the above.

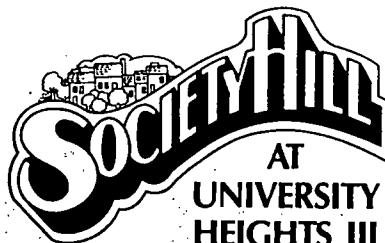
Very truly yours,


Buyer


Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032327

SUMMARY OF BASIC PROVISIONS
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IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): NATHANIEL, JR : BRADY of 29 MOORE STREET
Tel: Res: (212) 387-1196 BROOKLYN
Bus: (212) 621-0664 NY ,11206.

LILIAN BRADY of 29 MOORE STREET
Tel: Res: (212) 387-1196 BROOKLYN
Bus: () NY ,11206.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 20.03
BLDG NO.: 20 , UNIT NO: C , MODEL: TPFGL800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 19-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-OCT-1992
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 19-OCT-1992
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK

Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$130,901.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

=====

PURCHASE AGREEMENT

=====

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032329



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. **DEPOSITS**—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.
2. **CLOSING CHARGES**—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.
3. **ADJUSTMENT**—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)
4. **CLOSING OF TITLE**—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.
5. **TITLE**—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 27 day of September, 1992.

Buyer: X *Nathan Brady*

Buyer: X *Lillian Brady*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X *Nathan Brady* 9-27-92
BUYER DATE

X *Lillian Brady* 9-27-92
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION II, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Wayne Soojian 9-30-92
BY: DATE
WAYNE SOOJIAN
DIRECTOR OF MARKETING AND SALES

KHOV032333

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

Revised APA
J2

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

NATHANIEL BRADY
LILLIAN BRADY
_____, Buyer.

UNIT C, BLDG. 20

PURCHASE AGREEMENT DATED: 9/19/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 139,524.16

Consisting of:

BASE PRICE of MODEL:
and Premiums:

\$ 134,950.00

DS Number

\$ _____

\$ 4574.16

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid

\$ 1,000.00

Deposit balance due

\$ 3,048.50 due on 10/19/92

Additional deposit

\$ 500.00 due on 12/20/92

Total deposit

\$ 4,548.50

Balance due at closing
(cash of certified check)

\$ 134,975.66

Total Purchase Price

\$ 139,524.16

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 130,000

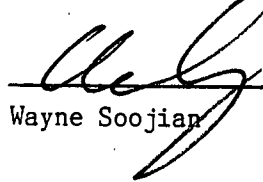
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/18/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032335

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

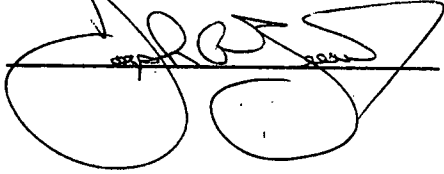
DATE 1.15.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

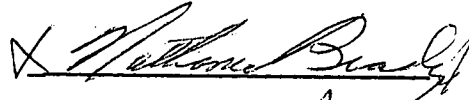
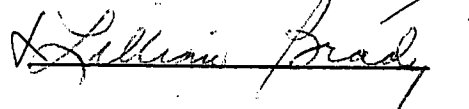

Wayne Soojian

DATE 1-15-93

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"

FORMS DS/PR/INCE
02/12/90

KHOV032336



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BRADY

UNIT NO.: 20C MODEL NO.: 1800

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on Sept 27, 1992, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<u>X</u> <u>Nathaniel Brady Jr.</u>	<u>9-27-92</u>
BUYER	DATE
<u>+ Lillian Brady</u>	<u>9-27-92</u>
BUYER	DATE
_____ BUYER	_____ DATE
_____ BUYER	_____ DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032345

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 26, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND OMILEE JONES, UNMARRIED AND MURIEL SIMPSON, UNMARRIED

the GRANTEE

about to reside at 34 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$137,855.10 ONE HUNDRED THIRTY SEVEN THOUSAND EIGHT HUNDRED FIFTY FIVE AND 10/100 dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. D, in Building No. 20, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

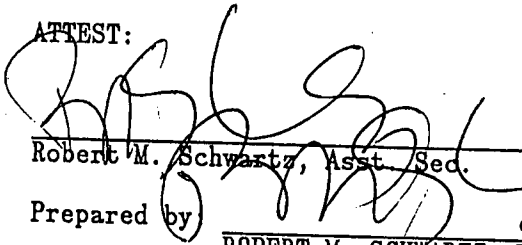
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 20.04, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

Prepared by

ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

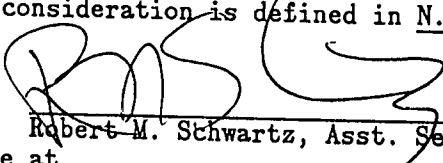
BY:


WAYNE J. SOOJAN,
Sales & Marketing Director

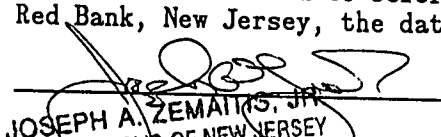
KHOV032354

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 26, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 137,855.10.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 6, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 26 day of FEBRUARY, 19 93.

GRANTEE
OMILEE JONES

GRANTEE
MURIEL SIMPSON

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 26 day of FEBRUARY, 19 93, before me, the subscriber OMILEE JONES AND *, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

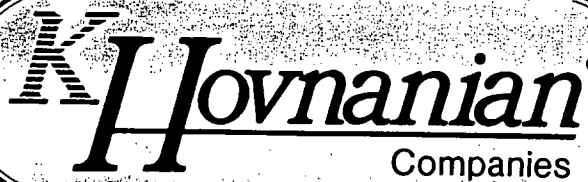
* MURIEL SIMPSON

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
OMILEE JONES AND MURIEL SIMPSON

CHARGE, RECORD AND RETURN TO WILLIAM THOMAS, ESQUIRE
1139 E. JERSEY STREET, ELIZABETH, NJ 07201

KHOV032355



February 26, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: JONES/SIMPSON
Lot: 20.04 Block: 406
Address: 34 Cornerstone Lane
Newark, NJ 07103

Closing date: 2/26/93
Deed Amount: 137,855.10

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Amila Jones
Buyer

Quenel Simpson
Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032367

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): OMILEE JONES (A) of 137 COURT STREET
Tel: Res: (201) 622-6896 NEWARK
Bus: () - NJ ,07103.

MURIEL SIMPSON (A) of 137 COURT STREET
Tel: Res: (201) 622-6896 NEWARK
Bus: (201) 466-6339 NJ ,07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EXC
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 20.04
BLDG NO.: 20 , UNIT NO: D , MODEL: TFFG1800-BB)

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 28-NOV-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 28-NOV-1992
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 28-DEC-1992
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$107,950.00 MORTGAGE CONTINGENCY DATE: 27-JAN-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarana, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032368



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. **DEPOSITS**—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.
2. **CLOSING CHARGES**—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.
3. **ADJUSTMENT**—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)
4. **CLOSING OF TITLE**—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.
5. **TITLE**—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 38th day of November, 1992.

Buyer: *Amilee Jones*

Lisa M. Weems

Buyer: *Spencer Angerson*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Amilee Jones 11/28/92
BUYER DATE

Spencer Angerson 11/28/92
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *Wayne Socian* 12.1.92
WAYNE SOCIAN DIRECTOR OF MARKETING AND SALES DATE

KHOV032372

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Omilee Jones

Muriel Simpson

, Buyer.

UNIT D, BLDG. 20

PURCHASE AGREEMENT DATED: 11/28/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 139,410.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

\$ 4460.10

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ _____ due on _____

Total deposit \$ 1,000.00

Balance due at closing
(cash of certified check) \$ 138,410.10

Total Purchase Price \$ 139,410.10

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 111,500.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/27/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032373

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.15.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE Jan. 2, 1993

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

x Amilee Jones

Jim Weems

x Quel Sykes

FORMS DS/PR/INCE
2/12/90

KHOV032374



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ms. Jones*
Ms. Simpson

UNIT NO.: 309

MODEL NO.: 1860

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 11/28, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<i>x</i> <i>Orville Jones</i>	<i>11/28/92</i>
BUYER	DATE
<i>x</i> <i>Theresa Simpson</i>	<i>11/28/92</i>
BUYER	DATE
_____ BUYER	_____ DATE
_____ BUYER	_____ DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032382

AK

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Orville Jones

Manuel Simpson

_____, Buyer.

UNIT D, BLDG. 20

PURCHASE AGREEMENT DATED: 11/28/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 139,410.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____
\$ 4460.10
\$ _____
\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00
Deposit balance due \$ _____ due on _____
Additional deposit \$ _____ due on _____
Total deposit \$ 1,000.00
Balance due at closing \$ 138,410.10
(cash of certified check)
Total Purchase Price \$ 139,410.10

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 111,500.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/27/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032384

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.15.97

DATE Jan. 2, 1997

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Jim Weeks

FORMS DS/PR/INCE
2/12/90

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

"BUYER"

x Orville Jones

x Lucretia [Signature]

KHOV032385

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 26, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DUANE H. LINK, UNMARRIED

the GRANTEE

about to reside at 32 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$121,350.27
ONE HUNDRED TWENTY ONE THOUSAND THREE HUNDRED FIFTY AND 27/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. E, in Building No. 20, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 20.05, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

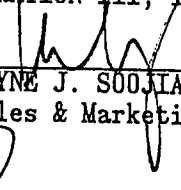

Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

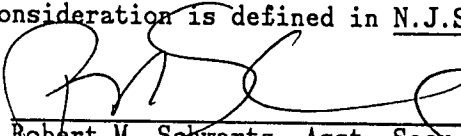
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

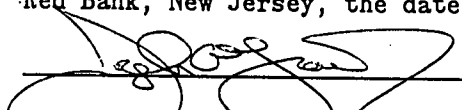
KHOV032397

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 26, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 121,350.27.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 8, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 26 day of FEBRUARY, 1993.

GRANTEE
DUANE H. LINK

GRANTEE

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 26 day of FEBRUARY, 19 93 before me, the subscriber DUANE H. LINK, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
DUANE H. LINK

CHARGE, RECORD AND RETURN TO MALLARY STEINFELD, ESQUIRE
18 BANK STREET, MORRISTOWN, NJ 07960
07960

KHOV032398



January 16, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: LINK
Lot: 20.05 Block: 406
Address: 32 Cornerstone Lane
Newark, NJ 07103

Closing date: 2-26-93
Deed Amount: 121,350.27

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

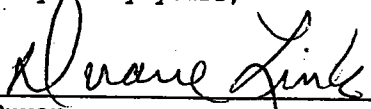
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

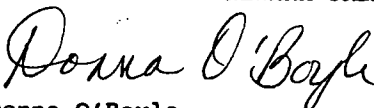
Please change your account records immediately to reflect the above.

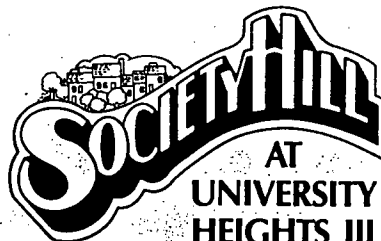
Very truly yours,


Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032410

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DUANE H LINK (u) of 395-6E SOUTH END AVENUE
Tel: Res: (212) 432-7413 NEW YORK
Bus: (212) 858-7032 NY ,10280.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 20.05
BLDG NO.: 20 , UNIT NO: E , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	16-JAN-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	16-JAN-1993
	ADDITIONAL DEPOSIT	\$	2,478.50	BY DATE	15-FEB-1993
	BALANCE at CLOSING	\$112,471.50	PAID by CERTIFIED CHECK		
	Total PAYMENT	\$115,950.00			

MORTGAGE AMOUNT : \$112,400.00 MORTGAGE CONTINGENCY DATE: 17-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032411

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13. and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH A. ZEMAITIS, JR.

State of New Jersey) ss. **NOTARY PUBLIC OF NEW JERSEY**
County of Essex) My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 16 day of January, 1993.

Buyer:

Quane Link

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

DATE

Quane Link 1-16-93

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

1-15-93

KHOV032415

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

DUANE H. LUK

, Buyer.

UNIT E, BLDG. 20

PURCHASE AGREEMENT DATED: 1/16/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 123,385.27

Consisting of:

BASE PRICE of MODEL: \$ 115,950.00
and Premiums:

DS Number \$ 7,435.27

\$ _____

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ 223.06 due on 1/30/93

Total deposit \$ 1,223.06

Balance due at closing
(cash of certified check) \$ 122,162.21

Total Purchase Price \$ 123,385.27

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 119,600.00

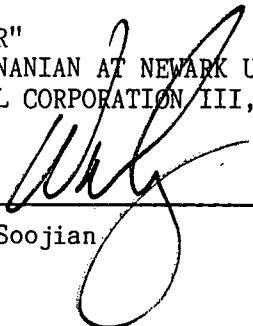
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/17/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032417

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

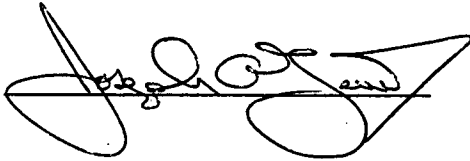
DATE 1.25.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

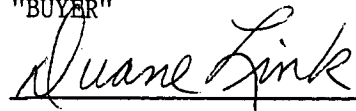

Wayne Soojian

DATE 1/20/93

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"



FORMS DS/PR/INCE
02/12/90

KHOV032418

THIS INDENTURE
(Site C and E)

Dated NOVEMBER 30, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND EDDIE N. DE JESUS, MARRIED

the GRANTEE

about to reside at 30 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$125,329.20
ONE HUNDRED TWENTY FIVE THOUSAND THREE HUNDRED TWENTY NINE AND .20/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. F, in Building No. 20, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 18, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 18, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 20.06, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

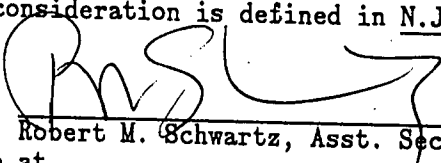
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: ROBERT M. SCHWARTZ, ESQ.

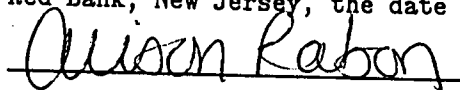
KHOV032434

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On NOVEMBER 30, 1993, Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 125,329.20.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 30TH day of NOVEMBER, 1993.

GRANTEE EDDIE N. DE JESUS

GRANTEE

State of New Jersey) ss:
County of ESSEX)

Be it remembered, that on this 30TH day of NOVEMBER, 1993, before me, the subscriber EDDIE N. DE JESUS, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
EDDIE N. DE JESUS

CHARGE, RECORD AND RETURN TO MICHAEL D. SUAREZ, ESQUIRE
2016 KENNEDY BLVD.
JERSEY CITY, NJ 07305

KHOV032435

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSUREDSoc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: EDDIE N. DE JESUS, MARRIED

Fidelity Limit: \$100,000.

LOC: 30 CORNERSTONE LANE, NEWARK, NJ 07103 (20F) LOT: 20.06 BLOCK: 406

CERTIFICATE HOLDERK. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KHOV032442

010036000

K Hovnanian[®]

Companies

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: DE JESUS
Lot: 20.06 Block: 406
Address: 30 Cornerstone Lane
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: *November 30, 1993*
Deed Amount: *\$125,329.20*

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Eddie M. De Jesus

Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032447

K Hovnanian[®]

Companies

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

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Our Mortgage Account No.:

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Please change your account records immediately to reflect the above.

Very truly yours,

Edde M. De Jesus
Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032448

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN BENEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): EDDIE N DE JESUS (m) of 122 34TH STREET/APT 3
Tel: Res: (201) 617-1479 UNION CITY
Bus: (718) 828-3951 NJ , 07087.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 20.06
BLDG NO: 20 , UNIT NO: F , MODEL: TPTC1500-BB >

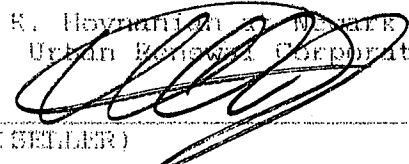
The PURCHASE PRICE : \$122,950.00
Consisting of:
BASE PRICE of MODEL \$122,950.00


The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	25-AUG-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	25-AUG-1993
	ADDITIONAL DEPOSIT	\$	2,608.50	BY DATE	22-SEP-1993
	BALANCE at CLOSING	\$119,261.50	PAID by CERTIFIED CHECK		
	Total PAYMENT	\$122,950.00			

MORTGAGE AMOUNT : \$119,250.00 MORTGAGE CONTINGENCY DATE: 24-OCT-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

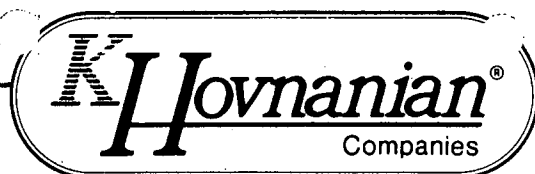
K. Hovnanian & Co., Inc.
Urban Renewal Corporation LLC, Inc.

(SELLER) 11/1/93 DATE

 10-28-93
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032449



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 25th day of October, 1993.

Buyer: *Edith M. Mc Jesus*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Edith M. Mc Jesus 10-28-93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY *[Signature]* 11/1/93
WAYNE SOOJAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032453

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 20

Unit No.: F

The Purchase Agreement between Eddie N. DeJesus BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 8/25/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 126,884.20
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,788.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 123,095.67
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 116,850.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 125,329.20.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

10-28-93
DATE

Eddie N. DeJesus
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: 

WAYNE SOOJIAN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032455



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. + Mrs.
Beggs

BLDG./UNIT NO: 20F

MODEL NO: 1500

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 8/25, 1993
I/We personally received from the Sales Office at Society Hill at
University Heights III, the Public Offering Statement* ("POS PACKAGE") and
the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

v Eddie P. McTear 8-25-93
BUYER DATE

v Mario S. De Jesus 8-25-93
BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032459

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: A

The Purchase Agreement between Royanna M. Scott BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 5/29/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 134,968.44
2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 4049.05
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 130,919.39
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 130,900.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 133,413.44.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

5/29/93
DATE

Royanna Scott
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032470

S U M M A R Y O F B A S I C P R O V I S I O N S
=====

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ROXANNA M SCOTT (M) of 357 VARICK STREET/APT 127B
Tel: Res: (201) 309-2399 JERSEY CITY.
Bus: (212) 998-5075 NJ ,07302.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.01
BLDG NO.: 21 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 29-MAY-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 29-MAY-1993
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 28-JUN-1993
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK

Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,150.00 MORTGAGE CONTINGENCY DATE: 28-JUL-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

=====

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

x *Roxanna Scott* 5/29/93
(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

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KHOV032485

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance restrictions preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

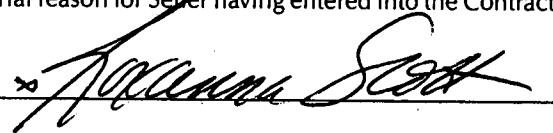
LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 31st day of May, 1993.

Buyer:



Lisa M. Weems

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

KHOV032489

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN GNEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ROXANNA M SCOTT (M) of 357 VARICK STREET/APT 127B
Tel: Res: (201) 309-2399 JERSEY CITY.
Bus: (212) 998-5075 NJ ,07302.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 21.01
BLDG NO.: 21 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

51 YANCY DR.

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 29-MAY-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 29-MAY-1993
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 28-JUN-1993
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK

Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,150.00 MORTGAGE CONTINGENCY DATE: 28-JUL-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032501

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ROXANNA M SCOTT (M) of 357 VARICK STREET/APT 127B
Tel: Res: (201) 309-2399 JERSEY CITY
Bus: (212) 998-5075 NJ ,07302.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 17.01
BLDG NO.: 17 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-MAY-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-MAY-1993
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 08-JUN-1993
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,150.00 MORTGAGE CONTINGENCY DATE: 08-JUL-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

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KHOV032505



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 10th day of May, 1993.

Buyer: *Aranna M. Scott*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Aranna M. Scott 5/10/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 5-14-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032509

SUMMARY OF BASIC PROVISIONS

1C10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP. Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ROXANNA M SCOTT (M) of 357 VARICK STREET/APT 127B
Tel: Res: (201) 309-2399 JERSEY CITY
Bus: (212) 998-5075 NJ ,07302.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 17.01
BLDG NO.: 17 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE OF MODEL \$125,950.00

27 Marrow St.

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 09-MAY-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-MAY-1993
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 08-JUN-1993
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,150.00 MORTGAGE CONTINGENCY DATE: 08-JUL-1993
Estimated COMPLETION DATE: 15-DEC-1993
BY-MON- YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Roxanna M. Scott 5/14/93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032512

AR

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Fuery N. Peralera

Jose E. Fugardo

, Buyer.

UNIT B, BLDG. 21

PURCHASE AGREEMENT DATED: 9/30/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 121,569.67

Consisting of:

BASE PRICE of MODEL: \$ 115,950.00
and Premiums:

DS Number \$ _____

\$ 5619.67

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ 168.59 due on 1/10/93

Total deposit \$ 1168.59

Balance due at closing
(cash of certified check) \$ 120,401.08

Total Purchase Price \$ 121,569.67

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 117,900.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/15/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032517

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.15.93

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE Jan. 10, 1993

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

[Signature]

x Lucy N. Penalba

x Jane Sugarc

FORMS DS/PR/INCE
2/12/90

KHOV032518



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Lucy Penaloza*

UNIT NO.: *213*

MODEL NO.: *1400*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *9/30*, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Lucy N. Penaloza *9-30-92*
BUYER DATE

Jane Sugarc *9-30-92*
BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032529

S U M M A R Y O F B A S I C P R O V I S I O N S

1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:

10 1000

BOX 500

07701.

The BUYER(S): LUCY N PENALOZA (U)
Tel: Res: (201) 623
Bus: (212) 662

New #

596-0214

7101.

JOSE E LUGARDO (U)
Tel: Res: (201) 623
Bus: (215) 867

7101.

WILL occupy the Premises as

ing of title.

The PROPERTY: PROJECT: SOCIETY HILL @

BLOCK NO: 206

BLDG NO.: 21 , UNIT NO

The PURCHASE PRICE : \$115,950.00

Consisting of:

BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 30-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-SEP-1992
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 30-OCT-1992
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$112,450.00

MORTGAGE CONTINGENCY DATE: 29-NOV-1992

Estimated COMPLETION DATE: 14-FEB-1993

DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032533



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer will be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of September, 1992.

Buyer: x Lucy N. Penalza

Lisa M. Weems

Buyer: x Jose Lugardo

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

x Lucy N. Penalza 9-30-92
BUYER DATE

x Jose Lugardo 9-30-92
BUYER DATE

BY: Wayne Soojan 10-2-92
WAYNE SOOJAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032537

ATTACHED TO AND MADE A PART OF THIS COMMITMENT LETTER
HOMEOWNER'S INSURANCE POLICY REQUIREMENTS

You will be required to obtain a homeowner's insurance policy for the home you are buying/refinancing. This policy, along with a paid receipt for the first year premium must be submitted to this office at least seven (7) days prior to loan closing. The following requirements must be met:

PURCHASES

- Policy must be an original with a paid receipt for the first year's premium.
- BINDERS ARE NOT ACCEPTABLE.
- The maximum allowable deductible is \$250.00
- All borrowers must appear on the policy as insured
- The policy must run for one full year.
- Your loan number must appear on the policy
- The policy must show the loss payee as follows:

First Financial Mortgage Corporation, And Or It's Assigns
 80 Main Street
 West Orange, NJ 07052

MAIL ALL CORRESPONDENCE TO THIS ADDRESS:

- The Dwelling Coverage must equal or exceed your loan amount.
- The company issuing the policy must have a rating of A-10 or better as determined by "Best's Insurance Guide."

REFINANCES

ALL REQUIREMENTS FOR PURCHASES APPLY EXCEPT AS FOLLOWS

- We will accept an existing homeowner's insurance policy if there are at least four (4) months remaining on the term of the policy at time of closing; we receive an endorsement changing the loss payee to First Financial Mortgage Corporation as indicated above; we receive a copy of the original paid receipt for the term of the policy; the loan number is inserted on the endorsement.

Please feel free to contact this office with any questions regarding your homeowner's insurance policy. The lack of a policy or incorrect information may cause your closing to be delayed.

BORROWER'S CERTIFICATION

We have read the above requirements and will comply with the above prior to loan closing. We understand that any deviation from the guidelines set forth may result in a delay in loan closing.

DATE: _____

Lucy Penaloza

Borrower

L.S.

Borrower

L.S.

Jose E. Lugardo

Borrower

L.S.

Borrower

L.S.

80 MAIN STREET, WEST ORANGE, NJ 07052
 PHONE: 201-325-9200 FAX: 201-736-1682

KHOV032548

FF998260

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP (Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LUCY N PENALOZA (u) of PO BOX 20154
Tel: Res: (201) 623-6943 NEWARK
Bus: (212) 662-1901 NJ ,07101.

JOSE E LUGARDO (u) of PO BOX 20154
Tel: Res: (201) 623-6943 NEWARK
Bus: (215) 867-7600 NJ ,07101.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.02
BLDG NO.: 21 , UNIT NO: B , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 30-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-SEP-1992
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 30-OCT-1992
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 29-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Lucy N. Penaloza 9-30-
(BUYER) DATE
Jose E. Lugardo 9-30-
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032563

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Frank Clemons

Ossie Clemons

, Buyer.

UNIT C, BLDG. 21

PURCHASE AGREEMENT DATED: 11/10/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,700.79

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

\$ 5750.79

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ 3048.50 due on 1/30/93

Additional deposit \$ 172.52 due on 1/30/93

Total deposit \$ 4221.02

Balance due at closing \$ 136,479.77
(cash of certified check)

Total Purchase Price \$ 140,700.79

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 130,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/17/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032569

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 2-3-93

DATE JAN 30. 93

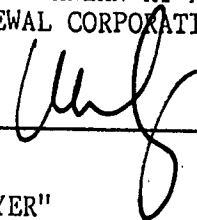
WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Lisa Weiss

FORMS DS/PR/INCE
2/12/90

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



"BUYER"

x 

x 

KHOV032570



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. + Mrs. Clemens UNIT NO.: 21C MODEL NO.: 1800

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 1/16, 1992³
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

x Link Clemens 1-16-93
BUYER DATE

x Dessie Clemens 1-16-93
BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032577

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LINK CLEMONS (H) of 183 HOLLYWOOD AVENUE/2ND FLOOR
Tel: Res: (201) 676-6550 EAST ORANGE
Bus: (201) 325-4768 NJ ,07018.

OSSIE CLEMONS (W) of 183 HOLLYWOOD AVENUE/2ND FLOOR
Tel: Res: (201) 676-6550 EAST ORANGE
Bus: (908) 298-3008 NJ ,07018.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.03
BLDG NO.: 21 , UNIT NO: C , MODEL: TPFGL800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 16-JAN-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 16-JAN-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 15-FEB-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK

Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$128,200.00 MORTGAGE CONTINGENCY DATE: 17-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hoynanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032582



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees, costs, points or other charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 16th day of January, 1993.

Buyer: x Link Clemens

Lisa M. Weems

Buyer: x Ossie Clemens

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

x Link Clemens 1-16-93
BUYER DATE

x Ossie Clemens 1-16-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature] 1-19-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032586

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN GNEWARK-URB RENEWAL CORP Ilocated at:

10 HWY 35, P.O. BOX 500
RED BANK

NEW JERSEY 07701.

The BUYER(S): LINK

CLEMONS (W)

Tel: Res: (201) 676-6550

Bus: (201) 325-4768

of 183 HOLLYWOOD AVENUE/2ND FLOOR
EAST ORANGE
NJ ,07018.

OSSIE CLEMONS (W)

Tel: Res: (201) 676-6550

Bus: (908) 298-3008

of 183 HOLLYWOOD AVENUE/2ND FLOOR
EAST ORANGE
NJ ,07018.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C

NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 21.03

BLDG NO: 21 , UNIT NO: C , MODEL: TPGF1800-BB >

The PURCHASE PRICE : \$134,950.00

Consisting of:

BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :

INITIAL DEPOSIT

\$ 0.00

ON DATE

16-JAN-1993

ON SIGNING CONTRACT

\$ 1,000.00

ON DATE

16-JAN-1993

ADDITIONAL DEPOSIT

\$ 3,048.50

BY DATE

15-FEB-1993

BALANCE at CLOSING

\$130,901.50

PAID by

CERTIFIED CHECK

Total PAYMENT

\$134,950.00

MORTGAGE AMOUNT

\$128,200.00

MORTGAGE CONTINGENCY DATE: 17-MAR-1993

Estimated COMPLETION DATE: 14-FEB-1993

DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032605

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: D

The Purchase Agreement between ARNOLD J. LACROISE BUYER(S)
_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 4/20/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 138,992.98
2. THE DEPOSITS ^{paid @} ~~REQUIRED~~ ARE INCREASED TO \$ 1,130.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 137,812.98
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 137,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 138,992.98
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

June 1 1993
DATE

Arnold L. Croise
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032607

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

ARNOLD J. LACROISE

, Buyer.

UNIT D, BLDG. 21

PURCHASE AGREEMENT DATED: 1/25/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms and conditions for this applicable of the Summary of Basic Agreement shall be as follows:

of Basic Provisions and conditions - Purchase

A) THE PURCHASE PRICE

Consisting of:

BASE PRICE of MODI
and Premiums:

DS Number

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ V/A due on _____

Additional deposit \$ 119.79 due on 2/20/93

Total deposit \$ 1,119.79

Balance due at closing
(cash of certified check) \$ 137,823.19

Total Purchase Price \$ 138,942.98

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 137,800.00

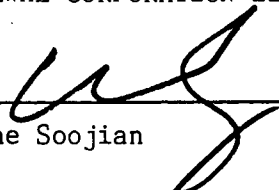
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/26/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032616

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

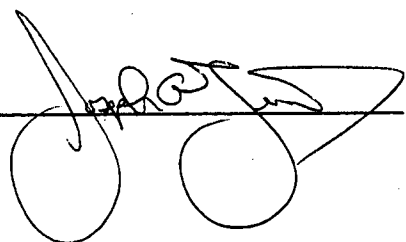
DATE 4.23.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.


Wayne Soojian

DATE 4/20/93

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"


FORMS DS/PR/INCE
02/12/90

KHOV032617



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: LACRUISE UNIT NO.: 210 MODEL NO.: 1800

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 1/25/93, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Arnold L. Cruise 1/25/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



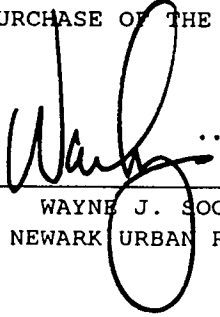
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032621

ADDENDUM TO PURCHASE AGREEMENT

RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.
BUYER: ARNOLD J. LACRUISE
BUILDING: 21 UNIT: D

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. WILL PAY \$2,250.64 OF
CLOSING COSTS TOWARD THE PURCHASE OF THE ABOVE REFERENCED UNIT.



WAYNE J. SOOJIAN

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

ARNOLD J. LACRUISE

KHOV032623

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K. HOVNANIAN NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ARNOLD J. LACRUISE (u) 676-1076 of P.O. BOX 1069
Tel: Res: (201) 675-9860 EAST ORNAGE
Bus: (201) 334-3313 NJ , 07019.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL & UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.04
BLDG NO: 21 , UNIT NO: D , MODEL: TFFG1800-BB

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 25-JAN-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 25-JAN-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 24-FEB-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 26-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Arnold J. Lacruise 1/25/93
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032646

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights-III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

purchase price by the Seller as prov. for in this Agreement.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. INSULATION—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—
A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

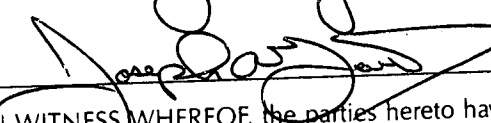
C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH A. ZEMAITIS, JR.

State of New Jersey) ss. **NOTARY PUBLIC OF NEW JERSEY**
County of Essex) **My Commission Expires Dec. 6, 1996**

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will)(will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 25 day of January, 1993.



IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

Buyer: 

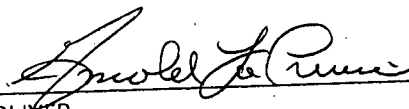
Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

 1/25/93
BUYER DATE

BUYER DATE

BY:  1-28-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV032650

ADDENDUM TO PURCHASE AGREEMENT DATED
JANUARY 28, 1993 BETWEEN ARNOLD
LaCRUISE AND K. HOVNANTON AT NEWARK-
URBAN RENEWAL CORP., III, INC.

It is hereby agreed and stipulated between the parties, Arnold La Cruise (hereinafter called the ("Buyer")) and K. Hovnanian at Newark-Urban Renewal Corporation, III, Inc., (hereinafter called the ("Seller")) that the purchase agreement is amended to change the Mortgage Contingency date to August 30, 1993.

BEVERLY G. GISCOMBE, P.A.
Attorney for Buyer

DATED: 6/30/93

BY: Brenda Gbadebo
BRENDA GBADEBO, ESQUIRE

ROBERT M. SCHWARTZ, ESQUIRE
Attorney for Seller

DATED:

KHOV032655

ADDENDUM TO PURCHASE AGREEMENT DATED
JANUARY 28, 1993 BETWEEN ARNOLD
LaCRUISE AND K. HOVNANIAN AT NEWARK-
URBAN RENEWAL CORP., III, INC.

It is hereby agreed and stipulated between the parties, Arnold La Cruise (hereinafter called the ("Buyer")) and K. Hovnanian at Newark-Urban Renewal Corporation, III, Inc., (hereinafter called the ("Seller")) that the purchase agreement is amended to change the Mortgage Contingency date to August 30, 1993.

BEVERLY G. GISCOMBE, P.A.
Attorney for Buyer

DATED: 6/30/93

BY: Brenda Gbadebo
BRENDA GBADEBO, ESQUIRE

ROBERT M. SCHWARTZ, ESQUIRE
Attorney for Seller

DATED:

KHOV032656

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ARNOLD J. LACROISE (4) of P.O. BOX 1069
Tel: Res: (201) 577-9860 EAST ORNAGE
Bus: (201) 334-3313 NJ , 07019.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL 9 UNIV. HEIGHTS 111 ESC
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 21.04

BLDG NO.: 21 , UNIT NO.: 0 , MODEL: TTFG1800-RE

The PURCHASE PRICE: \$134,950.00

OWNERSHIP: 100% Consisting of:

BASE PRICE OF MODEL: \$134,950.00

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 25-JAN-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 25-JAN-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 24-FEB-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT: \$130,900.00

MORTGAGE CONTINGENCY DATE: 26-MAR-1993

Estimated COMPLETION DATE: 14-FEB-1993

DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation 111, Inc.

Arnold J. Lacroise 1/25/93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032672

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Patrich & Beauford

_____, Buyer.

UNIT E, BLDG. 24

PURCHASE AGREEMENT DATED: 9/26/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 119,885.34

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>115,950.00</u>
DS Number	\$ _____
_____	\$ <u>3,935.34</u>
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ <u>2,478.50</u>	due on <u>1/2/93</u>
Additional deposit	\$ <u>118.06</u>	due on <u>1/2/93</u>
Total deposit	\$ <u>3,596.56</u>	
Balance due at closing (cash of certified check)	\$ <u>116,288.78</u>	
Total Purchase Price	\$ <u>119,885.34</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 116,250.00

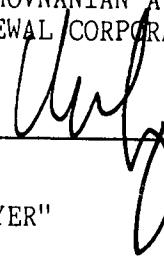
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/15/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032675

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

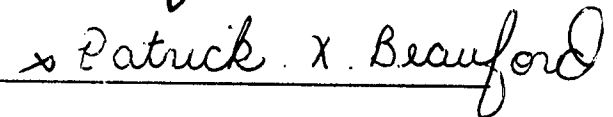
DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.




DATE 1/2/93

"BUYER"



WITNESS AS TO SIGNATURE
OF ALL BUYERS:



FORMS DS/PR/INCE
2/12/90

KHOV032676



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. P. Beauford UNIT NO.: 21E MODEL NO.: 1400

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 9/26, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<u>Mr. Patrick Beauford</u>	<u>9-26-92</u>
BUYER	DATE
_____ BUYER	_____ DATE
_____ BUYER	_____ DATE
_____ BUYER	_____ DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032683

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN NEWARK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): PATRICK X BEAUFORD (1A) of 451 COLUMBIA STREET
Tel: Res: (718) 596-1322 BROOKLYN
Bus: () NY 11231.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 LOT NO: 21.05
BLDG NO.: 21 UNIT NO: E MODEL: TPTG1400-BH

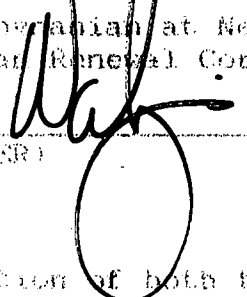
The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	26-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	26-SEP-1992
	ADDITIONAL DEPOSIT	\$ 2,478.59	BY DATE	26-OCT-1992
	BALANCE at CLOSING	\$112,471.50	PAID by CERTIFIED CHECK	
	Total PAYMENT	\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 25-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

(SELLER) 9-26-92 DATE

 9-26-92
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The OWNER: Landaroma, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV032687

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 26th day of September, 1992.

Lisa M. Weems
Buyer: Patrick Beauford

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Patrick Beauford 9-26-92
BUYER DATE

BY: WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

KHOV032691

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP I Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.
The BUYER(S): PATRICK X BEAUFORD (u) of 451 COLUMBIA STREET
Tel: Res: (718) 596-1322 BROOKLYN
Bus: () NY 11231.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.05
BLDG NO: 21 , UNIT NO: E , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00

7. BUY Consisting of:
8. CHAN BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :
9. FIRE AND OF
10. MEN INITIAL DEPOSIT \$ 0.00 ON DATE 26-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 26-SEP-1992
11. LIC ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 26-OCT-1992
12. DEF BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
13. SELL Total PAYMENT \$115,950.00
14. INC

MORTGAGE AMOUNT 15. ASY \$112,450.00 MORTGAGE CONTINGENCY DATE: 25-NOV-1992
16. INC Estimated COMPLETION DATE: 14-FEB-1993
17. DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

Patrick Beauford 9-26-92
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

1. CLOSING CHARGES
2. ADJUSTMENT-Taxes for the
3. CLOSING OF TITLE
4. TITLE-Seller agrees to deliver a Buyer's
5. TITLE-Seller agrees to deliver a Buyer's

KHOV032722

OK

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

LEROY MACK
ROSEMARIE MACK
_____, Buyer.

UNIT F, BLDG. 21

PURCHASE AGREEMENT DATED: 9/19/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 130,941.72

Consisting of:

BASE PRICE of MODEL: \$ 125,950.00
and Premiums:

DS Number \$ 4,991.72

_____ \$ _____

_____ \$ _____

_____ \$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1000.00

Deposit balance due \$ 2,778.50 due on 10/19/92

Additional deposit \$ 148.83 due on 12/30/92

Total deposit \$ 3,927.33

Balance due at closing
(cash of certified check) \$ 127,014.39

Total Purchase Price \$ 130,941.72

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 115,950

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/18/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

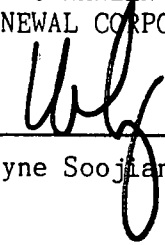
KHOV032727

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

"SELLER"

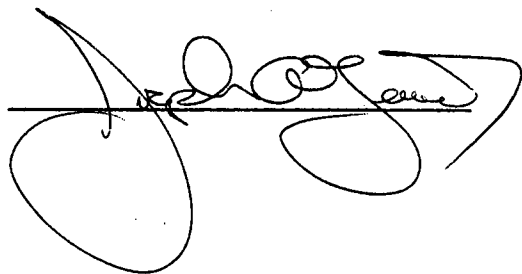
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



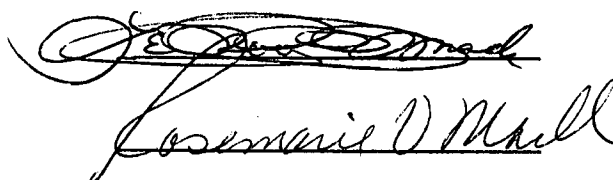
Wayne Soojian

DATE 12-30-92

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"



FORMS DS/PR/INCE
02/12/90

KHOV032728



Wants to
pay for D/S
up front
Appliances
includes 3 floor underneath
3/8" plywood

URBAN RENEWAL CORPORATION III, INC.

T NO.: 21F MODEL NO.: 1500

R PERSONALLY DELIVERED
STATEMENT/PURCHASE AGREEMENT

on Oct 1, 1992

I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

[Signature] 10-1-92
BUYER DATE

[Signature] 10-1-92
BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark

KHOV032737

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK (H) of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK (W) of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.06
BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	19-SEP-1992
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	04-OCT-1992
	ADDITIONAL DEPOSIT	\$	2,778.50	BY DATE	19-OCT-1992
	BALANCE at CLOSING	\$	122,171.50	PAID by	CERTIFIED CHECK
	Total PAYMENT		\$125,950.00		

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

10-13-92
DATE

(BUYER)

(BUYER)

(BUYER)

(BUYER)

DATE

DATE

DATE

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032741



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by Seller to Buyer at closing of title. The purchase price by the Seller as provided for in this Agreement, together with a closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 8, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1 day of October, 1992.

Buyer: [Signature]

Buyer: X Rosemarie V Mock

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION II, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

10-1-92

BUYER

DATE

10/1/92

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

10.13.92

KHOV032745

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The **SELLER**: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The **BUYER(S)**: LEROY M MACK (4) of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK (w) of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () - NJ ,07111.

the **WILL** occupy the Premises as a Primary Residence upon closing of title.

The **PROPERTY**: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.

BLOCK NO: 206 , LOT NO: 21.06
BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-BB

The **PURCHASE PRICE** : \$125,950.00

Consisting of:
BASE PRICE of MODEL \$125,950.00

The **PAYMENT TERMS** :
INITIAL DEPOSIT \$ 0.00 ON DATE 19-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-OCT-1992
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 19-OCT-1992
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,171.50 **MORTGAGE CONTINGENCY DATE**: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The **BROKER**: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

YOU HAVE THE RIGHT TO
OF CASH OR OTHER
WHICH IS NOT
REFUND

KHOV032779

S U M M A R Y O F B A S I C P R O V I S I O N S

=====

IC10

The SELLER: K.HOVNANIAN GNEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL AT UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.06
BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	19-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	04-OCT-1992
	ADDITIONAL DEPOSIT	\$ 2,778.50	BY DATE	19-OCT-1992
	BALANCE at CLOSING	\$122,171.50	PAID by	CERTIFIED CHECK

	Total PAYMENT	\$125,950.00		

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

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K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Donna O'Boyle 9-19-92
(SELLER) DATE

[Signature] 9-19-92
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032780

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN GNEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

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NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.06
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	ADDITIONAL DEPOSIT	\$	2,778.50	BY DATE	19-OCT-1992
	BALANCE at CLOSING	\$	122,171.50	PAID by	CERTIFIED CHECK
	Total PAYMENT		\$125,950.00		

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

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K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Donna O'Boyle 9-19-92
(SELLER) DATE

[Signature] 9-19-92
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032781

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LEROY M. MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
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The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 19-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-OCT-1992
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 19-OCT-1992
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK

Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Anna O'Boyle 9-19-92
(SELLER) DATE

[Signature] 9-19-92
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032782

S U M M A R Y O F B A S I C P R O V I S I O N S

1010

The SELLER: K.HOVNANIAN GENEWORK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL AT UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.06
BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS	INITIAL DEPOSIT	\$ 0.00	ON DATE	19-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	04-OCT-1992
	ADDITIONAL DEPOSIT	\$ 2,778.50	BY DATE	19-OCT-1992
	BALANCE at CLOSING	\$122,171.50	PAID by	CERTIFIED CHECK
Total PAYMENT		\$125,950.00		

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

[Signature] 7-19-92
(SELLER) DATE

[Signature] 9-19-92
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032783

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): LEROY M MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.
ROSEMARIE V MACK of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL AT UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 LOT NO: 21.06
BLDG NO.: 21 UNIT NO: F MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	19-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	04-OCT-1992
	ADDITIONAL DEPOSIT	\$ 2,778.50	BY DATE	19-OCT-1992
	BALANCE at CLOSING	\$122,171.50	PAID by CERTIFIED CHECK	
Total PAYMENT		\$125,950.00		

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032784

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

ALAN CROOK

CHERO HALL

, Buyer.

UNIT 21, BLDG. G

PURCHASE AGREEMENT DATED: 10/1/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$132,816.88

Consisting of:

BASE PRICE of MODEL: \$125,950.00
and Premiums:

DS Number \$6866.88

\$

\$

\$

B) THE PAYMENT TERMS:

Deposit previously paid \$1,000.00

Deposit balance due \$2,778.50 due on 10/31/92

Additional deposit \$206.01 due on 12/16/92

Total deposit \$3,984.51

Balance due at closing
(cash of certified check) \$128,832.37

Total Purchase Price \$132,816.88

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$128,800.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/30/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032791

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 12-21-92

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE X 12/18/92

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

X *Alan H. Cook*

X *[Signature]*

FORMS DS/PR/INCE
2/12/90

KHOV032792



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: CROOK/HILL UNIT NO.: 216 MODEL NO.: 1500

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 10/1/92, 1992
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<u>X</u>	<u>Allen H. Crook</u>	<u>10/1/92</u>
BUYER		DATE
<u>X</u>	<u>CH</u>	<u>10/1/92</u>
BUYER		DATE
____		____
BUYER		DATE
____		____
BUYER		DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032795

S U M M A R Y O F B A S I C P R O V I S I O N S

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701

The BUYER(S): ALAN H CROOK (u) of 126 CHESTNUT STREET #2
Tel: Res: (201) 672-6164 EAST ORANGE
Bus: (201) 466-4913 NJ , 07018.

CHERO HALL (u) of PO BOX 812
Tel: Res: (201) 802-1728 EAST ORANGE
Bus: (201) 392-5646 NJ , 07018.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.

BLOCK NO: 206 , LOT NO: 21.07
BLDG NO.: 21 , UNIT NO: G , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 01-OCT-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 01-OCT-1992
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 31-OCT-1992
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,100.00 MORTGAGE CONTINGENCY DATE: 30-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032799



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with a closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer will be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

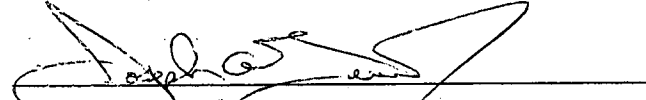
C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH A. ZEMAITIS, JR.

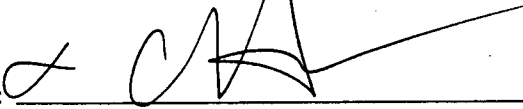
State of New Jersey) ss. **NOTARY PUBLIC OF NEW JERSEY**
County of Essex) **My Commission Expires Dec. 8, 1996**

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1 day of October, 1992.



Buyer: 

Buyer: 

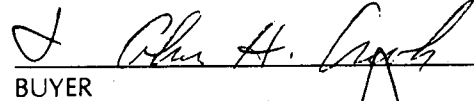
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

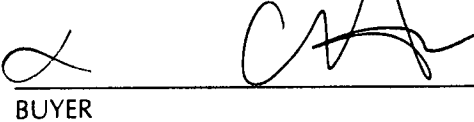
BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

 10/1/92
BUYER DATE

 10/1/92
BUYER DATE

BY:  10.13.92
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032803

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY, 07701.
The BUYER(S): ALAN H CROOK (u) of 126 CHESTNUT STREET #2
Tel: Res: (201) 672-6164 EAST ORANGE
Bus: (201) 466-4913 NJ, 07018.
CHERO HALL (u) of PO BOX 812
Tel: Res: (201) 802-1728 EAST ORANGE
Bus: (201) 392-5646 NJ, 07018.
The BUYER(S) will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206, LOT NO: 21.07
BLDG NO: 21, UNIT NO: G, MODEL: TPTG1500-BB >

The PURCHASE PRICE: \$125,950.00
Consisting of:
BASE PRICE OF MODEL \$125,950.00

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 01-OCT-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 01-OCT-1992
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 31-OCT-1992
BALANCE at CLOSING \$122,171.50 PAID BY CERTIFIED CHECK
Total PAYMENT \$125,950.00

MORTGAGE AMOUNT: \$122,100.00 MORTGAGE CONTINGENCY DATE: 30-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) Alan H. Crook 10/1/92
(BUYER) CHERO HALL 10/1/92
(BUYER) _____ DATE _____
(BUYER) _____ DATE _____

(SELLER) _____ DATE 10.13.92

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

OF CANCELLATION TO THE DEED
WHICH IT IS EXECUTED SUCH
REFUNDED IN THEIR ENTIRETY

KHOV032825

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: H

The Purchase Agreement between FREDERICK A. MORTON, JR. BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 5/8/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 120,656.07
2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3,619.68
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,036.39
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,500.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 119,041.07
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

5/26/93
DATE

Fredrick A. Morton, Jr.
BUYER

BUYER

BUYER

SELLER CORPORATION

BY: Wayne Soojin
WAYNE SOOJIN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KH0V032831



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Norton BLDG./UNIT NO: 21H MODEL NO: 140-B3

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 4/17, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Fredrick A. Mark, Jr. 4/17/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KH0V032839

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): FREDERICK A. MORTON, JR. (u) of 101 BLEEKER STREET, BOX #27
Tel: Res: (201) 824-7943 NEWARK
Bus: () - NJ , 07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.08
BLDG NO.: 21 , UNIT NO: H , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 17-APR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 17-APR-1993
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 17-MAY-1993
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$ 92,000.00 MORTGAGE CONTINGENCY DATE: 16-JUN-1993
Estimated COMPLETION DATE: ~~14-FEB-1993~~
30-JUNE-1993 ✓ DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

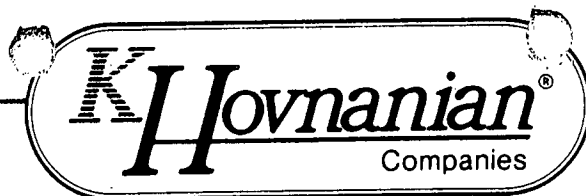
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032842



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 17 day of April, 1993.

Buyer: Fredrick A. Morkin, Jr.

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Fredrick A. Morkin, Jr. 4/17/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne 4-20-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV032846

SUMMARY OF BASIC PROVISIONS

IC16

a SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

a BUYER(S): FREDERICK A. MORTON, JR. (u) of 101 BLEEKER STREET, BOX #27
Tel: Res: (201) 824-7943 NEWARK
Bus: () NJ , 07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

a PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.08
BLDG NO.: 21 , UNIT NO: H , MODEL: TPTG1400-BB >

a PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE OF MODEL \$115,950.00

48 Cornerstone Ln.

a PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 17-APR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 17-APR-1993
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 17-MAY-1993
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
Total PAYMENT \$115,950.00

RTGAGE AMOUNT : \$ 92,000.00 MORTGAGE CONTINGENCY DATE: 16-JUN-1993
Estimated COMPLETION DATE: ~~14-FEB-1992~~
30-JUNE-1993 ✓ BY-MON-YEAR
12

PURCHASE AGREEMENT

is Agreement shall consist of the terms set forth on this page, and the terms
d conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT"
tached.

. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Fredrick A. Morton, Jr. 4/17/93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

ecution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE
REEMENT" is required.

a BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032862

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 21

PURCHASE AGREEMENT DATED: 1/30/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,570.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____
\$ 5620.10
\$ _____
\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>4,198.50</u>	
Deposit balance due	\$ _____	due on _____
Additional deposit	\$ _____	due on _____
Total deposit	\$ <u>4,198.50</u>	
Balance due at closing (cash of certified check)	\$ <u>136,371.60</u>	
Total Purchase Price	\$ <u>140,570.10</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 2/1/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032867

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.21.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

Wayne Soojian

DATE 5/20/93

WITNESS AS TO SIGNATURE
OF ALL BUYERS

Sia Weems

"BUYER"
* Ada M. Hazzier

FORMS DS/PR/INCE
02/12/90

KHOV032868

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ADA M FRAZIER (W) of 88 WILSEY STREET
Tel: Res: (201) 643-4662 NEWARK
Bus: (201) 575-3990 NJ ,07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.09
BLDG NO.: 21 , UNIT NO: I , MODEL: TPGF1800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 30-JAN-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-JAN-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 01-MAR-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK

Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 31-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032885

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 21

PURCHASE AGREEMENT DATED: 1/30/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 134,950.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____
\$ 5,000.10
\$ _____
\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00
Deposit balance due \$ 3,048.50 due on 2/27/93
Additional deposit \$ 150.00 due on 3/31/93
Total deposit \$ 4,148.50
Balance due at closing
(cash of certified check) \$ 135,751.60
Total Purchase Price \$ 139,950.10

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/31/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032890

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 3.3.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III INC.

DATE 2/27/93

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Fin Weems

Ada M. Menzies

FORMS DS/PR/INCE
2/12/90

KHOV032891



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mrs. Frazin UNIT NO.: 711 MODEL NO.: 1900

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 1/30, 1993.
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

*IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<u>x</u> <u>Mrs. M. Frazin</u>	<u>1-30-93</u>
BUYER	DATE
_____ BUYER	_____ DATE
_____ BUYER	_____ DATE
_____ BUYER	_____ DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032899

S U M M A R Y O F B A S I C P R O V I S I O N S
=====

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ADA M FRAZIER (u) of 88 WILSEY STREET
Tel: Res: (201) 643-4662 NEWARK
Bus: (201) 575-3990 NJ ,07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.09
BLDG NO.: 21 , UNIT NO: I , MODEL: TPGF1800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 30-JAN-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-JAN-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 01-MAR-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK

Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 31-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

=====

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

x Ada M. Frazier 1-30-93
(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

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KHOV032902

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of January, 1993.

Buyer: *Ada M. Franjer*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Ada M. Franjer 1-30-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Soojian* 2-3-94
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV032906

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ADA M FRAZIER (u) of 88 WILSEY STREET
Tel: Res: (201) 643-4662 NEWARK
Bus: (201) 575-3990 NJ ,07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 21.09
BLDG NO.: 21 , UNIT NO: I , MODEL: TPF61800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

46 Cornerstone Lane

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 30-JAN-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-JAN-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 01-MAR-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 31-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

*Ada M. Frazier 1-30-93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032925

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Edward M. Dixon

Dorothy V. Dixon

_____, Buyer.

UNIT 5, BLDG. 21

PURCHASE AGREEMENT DATED: 4/13/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 141,935.28

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

\$ 6,985.28

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ _____ due on _____

Total deposit \$ 1,000.00

Balance due at closing
(cash of certified check) \$ 140,935.28

Total Purchase Price \$ 141,935.28

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 141,900.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 6/12/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV032931

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.9.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 5/6/93

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

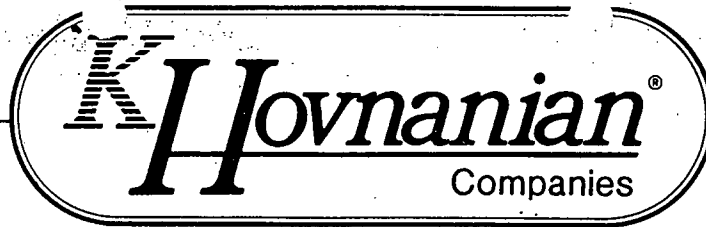
x *[Signature]*

[Signature]

x *[Signature]*

FORMS DS/PR/INCE
2/12/90

KHOV032932



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. + Mrs. Dixon BLDG./UNIT NO: 315 MODEL NO: 1800

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 4/13, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Edward M. Dixon 4-13-93
BUYER DATE

Dorothy V. Dixon 4/13/93
BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032940



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG./UNIT NO: MODEL NO:

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on _____, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER _____	DATE _____
BUYER _____	DATE _____
BUYER _____	DATE _____
BUYER _____	DATE _____



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV032950

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): EDWARD M DIXON (H) of 2390 SECOND AVENUE/APT 14E
Tel: Res: (212) 348-8155 NEW YORK
Bus: (718) 330-5040 NY ,10035.

DOROTHY V DIXON (W) of 2390 SECOND AVENUE/APT 14E
Tel: Res: (212) 348-8155 NEW YORK
Bus: (212) 305-6533 NY ,10035.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.10
BLDG NO.: 21 , UNIT NO: J , MODEL: TFFG1800-BB)

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 13-APR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 13-APR-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 13-MAY-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$134,950.00 MORTGAGE CONTINGENCY DATE: 12-JUN-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032953



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn.

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 13th day of April, 1993.

Buyer: *Edward M. Dubin*

Lisa M. Weems

Buyer: *Dorothy V. Dixon*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Edward M. Dubin 4/13/93
BUYER DATE
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Dorothy V. Dixon 4/13/93
BUYER DATE

BY: *Wayne Soojian* 4.16.93
DATE
WAYNE SOOJIAN
DIRECTOR OF MARKETING AND SALES

KHOV032957

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): EDWARD M DIXON (H) of 2390 SECOND AVENUE/APT 14E
Tel: Res: (212) 348-8155 NEW YORK
Bus: (718) 330-5040 NY ,10035.

DOROTHY V DIXON (W) of 2390 SECOND AVENUE/APT 14E
Tel: Res: (212) 348-8155 NEW YORK
Bus: (212) 305-6533 NY ,10035.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY. 44 Cornerstone Lane
BLOCK NO: 406 , LOT NO: 21.10
BLDG NO.: 21 , UNIT NO: J , MODEL: TPFG1800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	13-APR-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	13-APR-1993
	ADDITIONAL DEPOSIT	\$	3,048.50	BY DATE	13-MAY-1993
	BALANCE at CLOSING	\$130,901.50	PAID by CERTIFIED CHECK		
	Total PAYMENT	\$134,950.00			

MORTGAGE AMOUNT : \$134,950.00 MORTGAGE CONTINGENCY DATE: 12-JUN-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Edward M. Dixon 4-13-93
(BUYER) DATE
Dorothy V. Dixon 4/13/93
(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV032969

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly & Bonneau BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,065.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,431.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,600.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,510.89.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/21/93
DATE

Dolly & Bonneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032973

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Delly F. Bonneau BUYER(S)
_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 131,965.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 118,331.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,697.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 130,410.89.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

October 2, 1993
DATE

Delly F. Bonneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne S. Goujan
WAYNE S. GOUJAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032986

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly F. Bruneau BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 121,150.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,516.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 120,410.89
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

Sept. 11, 1993

BUYER

Dolly F. Bruneau

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojin
WAYNE SOOJIN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV032998

CR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly & Bonneau BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,065.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,431.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,510.89.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/21/93
DATE

Dolly & Bonneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033019

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly & Bonneau BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,065.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,431.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,510.89.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/21/93
DATE

Dolly R. Bonneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033020

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DOLLY L BONNEAU (u) of 97 SOMERSET STREET/APT C6
Tel: Res: (201) 824-8552 NEWARK
Bus: (201) 761-4298 NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.11
BLDG NO.: 21 , UNIT NO: K , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	17-JUL-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	17-JUL-1993
	ADDITIONAL DEPOSIT	\$	2,478.50	BY DATE	16-AUG-1993
	BALANCE at CLOSING	\$	112,471.50	PAID by CERTIFIED CHECK	
	Total PAYMENT		\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 15-SEP-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033021

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 17th day of July, 1993.

Buyer:

Rolly H. Benneau

Lisa M. Weems

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Rolly H. Benneau 7/17/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY:

Wayne Scorian
WAYNE SCORIAN,
DIRECTOR OF MARKETING AND SALES

DATE

KHOV033025

SUMMARY OF BASIC PROVISIONS

AR 1010

The SELLER: K. HOVNATHAN GREENMAN - URBAN RENEWAL CORP. Located at:
10 HBY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER: DOLLY H. BONNEAU (u) 61 97 SOMERSET STREET/APT. C
NEWARK
NJ 07102.
Tel: Res: (201) 824-8600
Bus: (201) 261-4208

Will occupy the Premises as a primary residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ URBV, HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 LOT NO: 21.11
BLDG NO: 24 UNIT NO: K MODEL: TYPH400-RI

The PURCHASE PRICE: \$115,950.00

Consisting of:
BASE PRICE OF MODEL \$115,950.00

42 Cornerstone Ln.

The PAYMENT TERMS:

INITIAL DEPOSIT	\$ 0.00	ON DATE	17-JUL-1993
ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	17 JUL 1993
ADDITIONAL DEPOSIT	\$ 2,470.50	BY DATE	16-AUG 1993
BALANCE at CLOSING	\$112,471.50	PAID BY	CERTIFIED CHECK
Total PAYMENT	\$115,950.00		

MORTGAGE AMOUNT: \$112,450.00

MORTGAGE COMPLETION DATE: 15-SEP-1993
Estimated COMPLETION DATE: 14-DEC-1993
BY-MON YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

Dolly H. Bonneau 7/17/93
BUYER DATE

BUYER DATE

(SELLER) DATE BUYER DATE

BUYER DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landrama, Inc.
Attn: H. Michael McGrovey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV033058



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Bonneau BLDG./UNIT NO: 312 MODEL NO: 1402

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 7/17, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Billy D. Bonneau 7/17/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033059

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: L

The Purchase Agreement between Sharan Ferguson BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-6-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,548.44
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3900.25
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 126,648.19
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 114,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,513.44.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-5-94
DATE

Sharan H. Ferguson
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojin
WAYNE SOOJIN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033064

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: L

The Purchase Agreement between Sharon Ferguson BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-6-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,548.44
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3900.25
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 126,648.19
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 114,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,513.44.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-5-94
DATE

Sharon H. Ferguson
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojin
WAYNE SOOJIN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033065

AK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: L

The Purchase Agreement between Sharon Ferguson BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-6-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,548.44
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1211.75
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 129,336.69
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 114,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,513.44.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-20-93
DATE

X Sharon H. Ferguson
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033067

AR

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Sharon Ferguson

, Buyer.

UNIT: L BLDG. 21

PURCHASE AGREEMENT DATED: 12-6-93

(1) Seller will give a credit to Buyer at the closing to
be taken from the Total Purchase Price of the Unit and
Decorator Selections equal to: \$ 3200.00

(2) This credit program is available only to Buyers of
Units within certain buildings comprising Society Hill at
University Heights III a Condominium (chosen at Seller's
discretion) and to those Buyers who sign Purchase Agreements
and Decorator Selection Riders and who close title or
otherwise comply with this addendum.

DATE _____

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 12-13-93

"BUYER"

x Sharon A. Ferguson

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Joseph A. Bailey

KHOV033068

SUMMARY OF BASIC PROVISIONS

1015

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): SHARON H FERGUSON (4) of 268 N. ORATON PKWY
Tel: Res: (201) 674-7147 E. ORANGE 07017
Bus: (212) 390-2192 NJ

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS 111 E&C
NETWORK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.12
BLDG NO.: 21 , UNIT NO: L , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$122,950.00
Consisting of:
BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 06-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-DEC-1993
ADDITIONAL DEPOSIT \$ 2,688.50 BY DATE 05-JAN-1994
BALANCE at CLOSING \$119,261.50 PAID by CERTIFIED CHECK
Total PAYMENT \$122,950.00

MORTGAGE AMOUNT : \$120,000.00 MORTGAGE CONTINGENCY DATE: 04-FEB-1994
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS- PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) 12.10.93 DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033085



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~will~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 6 day of Dec., 1993.

Buyer:

X Sharon Figo

Joseph J. Hanley

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Sharon Figo 12/6/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION, III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

KHOV033089

SUMMARY OF BASIC PROVISIONS

1015

The SELLER: K. HOVNANIAN (NEWARK) URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701

The BUYER(S): SHARON H FERGUSON (4) of 268 N. ORATON PKWY
Tel: Res: (201) 674-7147 E. ORANGE 07017
Bus: (212) 290-2192 NJ

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS LLC E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 21.12
BLDG NO: 21 , UNIT NO: 1 , MODEL: TFCU1500-HB >

The PURCHASE PRICE : \$122,950.00
Consisting of:
BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	06-DEC-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	06-DEC-1993
	ADDITIONAL DEPOSIT	\$ 2,688.50	BY DATE	05-JAN-1994
	BALANCE at CLOSING	\$119,261.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$122,950.00		

MORTGAGE AMOUNT : \$120,000.00 MORTGAGE CONTINGENCY DATE: 04 FEB-1994
Estimated COMPLETION DATE: 14 FEB 1993
12-MON- YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation LLC, Inc.

(BUYER)

DATE

(BUYER)

DATE

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV033094



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ferguson

BLDG./UNIT NO: 21L

MODEL NO: 1500 Garage

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12-6-93, 1993
I/We personally received from the Sales Office at Society Hill at
University Heights III, the Public Offering Statement* ("POS PACKAGE") and
the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

X Sharon Ferguson 12/6/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033096



February 13, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MACK
Lot: 21.06 Block: 406
Address: 61 Yancy Drive
Newark, NJ 07103

Closing date: 4-8-93
Deed Amount: 130,941.72

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.


The bank who holds our mortgage is:


Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

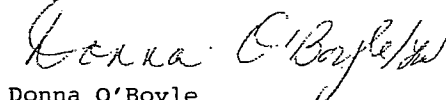
Please change your account records immediately to reflect the above.

Very truly yours,


Buyer


Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033102

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Marker Sharkey & Associates
11 Corporate Drive
Clifton, NJ 07011

908-277-1100

INSURED

Sec. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

Fidelity & Union Trust Co.

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
	COMMERCIAL GENERAL LIABILITY-INSDE		1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	CLAIMS MADE & OCCUR.				PRODUCTS-COMP/OP AGG. \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION				STATUTORY LIMITS
	AND				EACH ACCIDENT \$
	EMPLOYERS' LIABILITY				DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
	A Blanket Building BINDER & Contents		1/01/93	1/01/94	111,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LEROY M. MACK AND ROSEMARIE V. MACK, H/W

Fidelity Limit 1100,000.

LOC: 61 YANCY DRIVE, NEWARK, NJ 07103 (21F) LOT: 21.06 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Pepper Shurkey & MacLean
1100 Broadway, Suite
1100, New York, NY 10001

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

J. J. Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

St. Paul University Hts. III
c/o Eastern Community Hgt
225 Highway 30
2nd Flank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
	COMMERCIAL GENERAL LIABILITY	11011	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2,000,000
	CLAIMS MADE / OCCUR.				PRODUCTS-COMP/OP AGG. \$ 1,000,000
	OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 1,000,000
					EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 500,000
					MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION				STATUTORY LIMITS
	AND				EACH ACCIDENT \$
	EMPLOYERS' LIABILITY				DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
	Blanket Building BINDER & Contents		1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LEROY M. MACK AND ROSEMARIE V. MACK, H/W
LOC: 61 YANCY DRIVE, NEWARK, NJ 07103 (21F) LOT: 21.06 BLOCK: 406

Fidelity Limit \$100,000.

CERTIFICATE HOLDER


K. HOVNANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

VETERANS ADMINISTRATION U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WOOD DESTROYING INSECT INFORMATION EXISTING CONSTRUCTION		1A. VA CASE NUMBER 1B. HUD/FHA CASE NUMBER -	2. DATE 11/6/92
<p>PRIVACY ACT INFORMATION - The information requested on this form will be used in evaluating the property for a VA or HUD insured loan. Although you are not required by law to provide this information, failure to provide it can result in rejection of the property as security for your loan. The information collected will not be disclosed outside VA or HUD except as permitted by law. VA and HUD are authorized to request this information by statute (38 U.S.C. 1810(h)(4) and 12 U.S.C. 1701 et seq.).</p>			
READ THESE INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS FORM			
<p>1. The VA case number or HUD/FHA case number shall be inserted in Item 1 by the lender or the pest control company.</p> <p>2. When treatment is indicated in Item 8C, the insects treated will be named, the data on application method and chemicals used shall be entered in Item 10. Proper control measures may include issuance of warranty. Warranty information should also be entered below. Proper control measures are those which follow good acceptable industry practices.</p> <p>3. If visual evidence is found, the insects causing such evidence will be listed in Item 8A and damage resulting from such infestation will be noted in Item 8D.</p> <p>4. Areas that were inaccessible or obstructed (Item 7) may include, but are not limited to, wall covering, fixed ceilings, floor coverings, furniture or stored articles. The Pest Control Operator (PCO) should list, in item 7, those obstructions or areas which inhibit the inspection.</p> <p>5. Item 8A may be checked when the PCO is not authorized to perform control measures by the owner/seller or control measures cannot be performed due to conditions beyond control, e.g. obstruction, weather, etc.</p> <p>6. Visible, evidence of conditions conducive to infestation from subterranean termites shall be reported on reverse of the form (earth-wood contact, faulty grades, insufficient ventilation, etc.).</p>			
3A. NAME OF INSPECTION COMPANY Simmons & Son Termite & Pest Control, Inc.		5A. NAME OF PROPERTY OWNER/SELLER K. Hovnanian	
3B. ADDRESS OF INSPECTION COMPANY (Include ZIP Code) 103 West 4th Street, P.O. Box 5532 Plainfield, New Jersey 07060		5B. ADDRESS OF PROPERTY 61 Yancy Drive - 21F Newark, New Jersey	
3C. TELEPHONE NUMBER (Include Area Code)	4. PEST CONTROL OPERATOR LICENSE NUMBER	5C. STRUCTURE(S) INSPECTED	
FINDINGS			
6. WERE ANY AREAS OF THE PROPERTY OBSTRUCTED OR INACCESSIBLE? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If "Yes" complete Item 7)		7. OBSTRUCTIONS OR INACCESSIBLE AREAS (specify) (Read Item 11B before completing.)	
8. BASED ON CAREFUL VISUAL INSPECTION OF THE READILY ACCESSIBLE AREAS OF THE PROPERTY (See Item 11A before completing). <input type="checkbox"/> A. Visible evidence of wood destroying insects was observed. No control measures were performed. Insects observed: _____ <input checked="" type="checkbox"/> B. No visible evidence of infestation from wood destroying insects was observed. <input type="checkbox"/> C. Visible evidence of infestation was noted; proper control measures were performed. <input type="checkbox"/> D. Visible damage due to _____ has been observed in the following areas: _____ <input type="checkbox"/> E. Visible evidence of previously treated infestation, which is now inactive, was observed. (Explain in Item 10)			
9. DAMAGE OBSERVED ABOVE, IF ANY. (Check One) <input type="checkbox"/> A. Will be/has been corrected by this company. <input type="checkbox"/> B. Will be corrected by another company (see attached contract). <input type="checkbox"/> C. Will not be corrected by this company. Recommend that damage be evaluated by qualified building expert.		10. ADDITIONAL COMMENTS (If necessary, continue on reverse.)	
11. STATEMENT OF PEST CONTROL OPERATOR			
<p>A. The inspection covered the readily accessible areas of the property, including attics and crawl spaces which permit entry. Special attention was given to those accessible areas which experience has shown to be particularly susceptible to attack by wood destroying insects. Probing and/or sounding of those areas and other visible accessible wood members showing evidence of infestation were performed.</p> <p>B. The inspection did not include areas which were obstructed or inaccessible at the time of inspection. (See instruction number 4 above.)</p> <p>C. This is not a structural damage report. Neither is this a warranty as to absence of wood destroying insects.</p> <p>D. Neither I nor the company for which I am acting have had, presently have, or contemplate having any interest in the property. I do further state that neither I nor the company for which I am acting is associated in any way with any party to this transaction.</p>			
12A. SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE 		12B. TITLE PRESIDENT	12C. DATE 11/6/92
STATEMENT OF PURCHASER			
<i>I have received the original or a legible copy of this form.</i>			
14. SIGNATURE OF PURCHASER			15. DATE

KH0V033116

VA FORM 28-8860
HUD-92053 (APR 1983)

EASTERN TITLE AGENCY
One Industrial Way West Bldg D, Eatontown, NJ 07724(908) 389-0009
TELEFAX 201-389-9023

21F

MICHAEL KEHOE

FREDERICK J. BRENNER

March 17, 1993

CHERYL J. WICKHAM, ESQUIRE
CONTINENTAL INSURANCE
1 CONTINENTAL DRIVE
CRANBURY, NJ 08570

SALES OFFICE

RE: Title No. ET10744
MACK FROM K. HOVNANIAN
61 YANCY DRIVE
NEWARK, NJ

Dear Sir:

Enclosed please find the following

- (X) Original and one copies of Title Commitment
- (X) Invoice
- (X) Approved Attorney Letter - Sent to lender
- (X) Optional Remittance Form
- (X) Optional Notice of Settlement Form
- () Title Search Only
- (X) Miscellaneous Notices
- () Title Search Request Form
- () Survey(s)
- (X) NOTE: Copy of Title Commitment mailed to Lendor
- () Other

/dt
Encls.

KHOV033117

THIS INDENTURE
(Site C and E)

Dated APRIL 8, 1993.

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND LEROY M. MACK AND ROSEMARIE V. MACK, H/W

the GRANTEE

about to reside at 61 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$130,941.72 ONE HUNDRED THIRTY THOUSAND NINE HUNDRED FORTY ONE AND 72/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. F, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

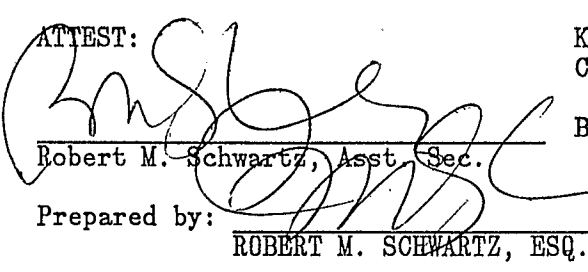
The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.06, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

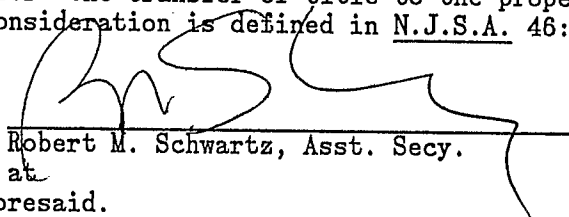
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

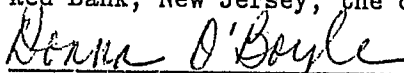
KHOV033126

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On APRIL 8, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 130,941.72.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 8TH day of APRIL, 1993.

GRANTEE LEROY M. MACK

GRANTEE ROSEMARIE V. MACK

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 8TH day of APRIL, 1993, before me, the subscriber LEROY M. MACK AND ROSEMARIE V. MACK personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
LEROY M. MACK AND ROSEMARIE V. MACK

CHARGE, RECORD AND RETURN TO CHERYL J. WICKHAM, ESQUIRE

1 CONTINENTAL DRIVE, CRANBURY, NJ 08570

KHOV033127

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

INSURED

Sec. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000 PRODUCTS-COMP/OP AGG. \$ 1000000 PERSONAL & ADV. INJURY \$ 1000000 EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	<input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	<input type="checkbox"/> WORKER'S COMPENSATION AND <input type="checkbox"/> EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	<input type="checkbox"/> OTHER Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LEROY M. MACK AND ROSEMARIE V. MACK, H/W

Fidelity Limit \$100,000.

LGC: 61 YANCY DRIVE, NEWARK, NJ 07103 (21F) LOT: 21.06 BLOCK: 406

KH0V033137

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL ¹⁰ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AR

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

LEROY MACK

ROSEMARIE MACK

_____, Buyer.

UNIT F, BLDG. 21

PURCHASE AGREEMENT DATED: 9/19/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 130,941.72

Consisting of:

BASE PRICE of MODEL: \$ 125,950.00
and Premiums:

DS Number \$ 4,991.72

\$ _____

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1000.00

Deposit balance due \$ 2,778.50 due on 10/19/92

Additional deposit \$ 148.83 due on 12/30/92

Total deposit \$ 3,927.33

Balance due at closing
(cash of certified check) \$ 127,014.39

Total Purchase Price \$ 130,941.72

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 115,950

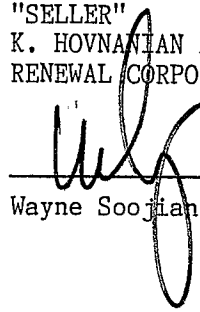
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/18/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033149

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

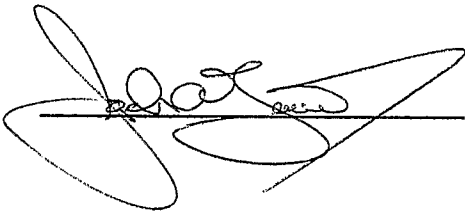
"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



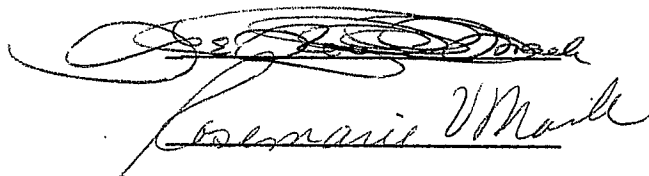
Wayne Soojian

DATE 12-30-92

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"



FORMS DS/PR/INCE
02/12/90

KHOV033150

SUMMARY OF BASIC PROVISIONS

1C10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEMAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LEROY M MACK (H) of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: (201) 923-8655 NJ ,07111.

ROSEMARIE V MACK (W) of P.O. BOX 733
Tel: Res: (201) 416-9240 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS 111
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.06
BLDG NO.: 21 , UNIT NO: F , MODEL: TPTG1500-UB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	19-SEP-1992
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	04-OCT-1992
	ADDITIONAL DEPOSIT	\$	2,778.50	BY DATE	19-OCT-1992
	BALANCE at CLOSING	\$122,171.50	PAID by CERTIFIED CHECK		
	Total PAYMENT	\$125,950.00			

MORTGAGE AMOUNT : \$122,171.50 MORTGAGE CONTINGENCY DATE: 18-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

[Signature]
(SELLER) 10-13-92 DATE

[Signature] 10-1-92 DATE
(BUYER)

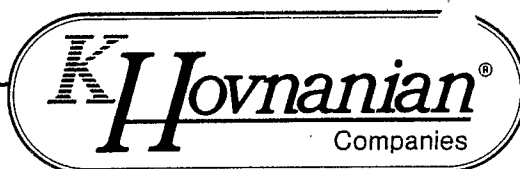
[Signature] 10/1/92 DATE
(BUYER)

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033151



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 8, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1 day of October, 1992.

Buyer: [Signature]

[Signature]

Buyer: [Signature]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

[Signature] 10-1-92
BUYER DATE

[Signature] 10/1/92
BUYER DATE

[Signature] 10-13-92
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

K Hovnanian[®]

Companies

October 2, 1992

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. Hovnanian at Newark
Urban Renewal Corporation
III, Inc.
To: CROOK & HALL
Lot: 21.07 Block: 406
Address: 50 Cornerstone Lane
Newark, NJ 07103

Closing date: 2-19-93

DEED AMT: 132,816.88

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

X. Allan H. Crook
Buyer

CA
Buyer

K. HOVNANIAN OF NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033160

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 19, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ALAN H. CROOK, UNMARRIED AND CHERO HALL, UNMARRIED
the GRANTEE

about to reside at 50 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$132,816.88
ONE HUNDRED THIRTY TWO THOUSAND EIGHT HUNDRED SIXTEEN AND 88/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. 21, in Building No. G, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

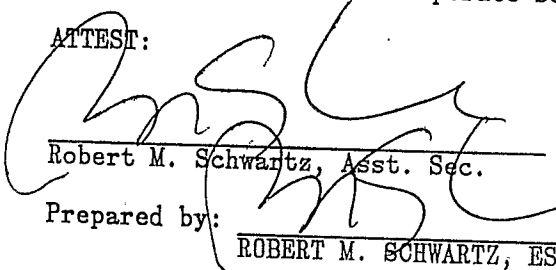
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.07, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

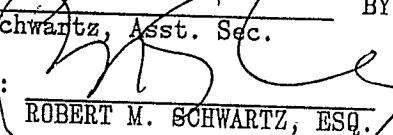
ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

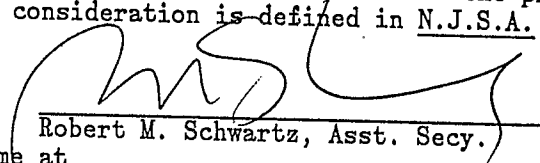
Prepared by:


ROBERT M. SCHWARTZ, ESQ.

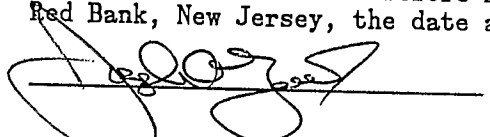
KHOV033180

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 19, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 132,816.88.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.

NOTARY PUBLIC OF NEW JERSEY SPECIFIC POWER OF ATTORNEY
My Commission Expires Dec. 8, 1996

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 19 day of FEBRUARY, 1993.

GRANTEE ALAN H. CROOK

GRANTEE CHERO HALL

State of New Jersey } ss:
County of _____ }

Be it remembered, that on this 19 day of FEBRUARY, 1993, before me, the subscriber ALAN H. CROOK AND *, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

* CHERO HALL

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
ALAN H. CROOK AND CHERO HALL

CHARGE, RECORD AND RETURN TO LARRY PLUMMER, ESQUIRE
1139 EAST JERSEY STREET, ELIZABETH, NJ 07201

KHOV033181

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016
908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

INSURED

Sac Hill 2 University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ALAN H. CROOK, UNMARRIED AND CHERO HALL, UNMARRIED

Fidelity Limit \$100,000.

LOC: 50 CORNERSTONE LANE, NEWARK, NJ 07103 (21G) LOT: 21.07 BLOCK: 406

KH0V033191

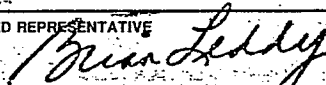
CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

al

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

ALAN CROOK
CHERO HALL
_____, Buyer.

UNIT 21, BLDG. G

PURCHASE AGREEMENT DATED: 10/1/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$132,816.88

Consisting of:

BASE PRICE of MODEL: and Premiums:	\$ <u>125,950.00</u>
DS Number	\$ <u>6,866.88</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid	\$ <u>1,000.00</u>	
Deposit balance due	\$ <u>2,778.50</u>	due on <u>10/31/92</u>
Additional deposit	\$ <u>206.01</u>	due on <u>12/16/92</u>
Total deposit	\$ <u>3,984.51</u>	
Balance due at closing (cash of certified check)	\$ <u>128,832.37</u>	
Total Purchase Price	\$ <u>132,816.88</u>	

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 128,800.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/30/92, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033209

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 12.21.92

"SELLER"
K. HOVNANTIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE X 12/18/92

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

X Alan H. Crook

X [Signature]

FORMS DS/PR/INCE
2/12/90

KHOV033210

S U M M A R Y O F B A S I C P R O V I S I O N S

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ALAN H CROOK (u) of 126 CHESTNUT STREET #2
Tel: Res: (201) 672-6164 EAST ORANGE
Bus: (201) 466-4913 NJ ,07018.

CHERO HALL (u) of PO BOX 812
Tel: Res: (201) 802-1728 EAST ORANGE
Bus: (201) 392-5646 NJ ,07018.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.07
BLDG NO.: 21 , UNIT NO: G , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 01-OCT-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 01-OCT-1992
ADDITIONAL DEPOSIT \$ 2,778.50 BY DATE 31-OCT-1992
BALANCE at CLOSING \$122,171.50 PAID by CERTIFIED CHECK
Total PAYMENT \$125,950.00

MORTGAGE AMOUNT : \$122,100.00 MORTGAGE CONTINGENCY DATE: 30-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) 10.13.92 DATE

(BUYER) 10.11.92 DATE
(BUYER) 6/11/92 DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033211



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 1 day of October, 1992.

Buyer: [Signature]

Buyer: [Signature]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35/ P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BUYER

DATE

BY:

WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

KHOV033215



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MORTON
Lot: 21.08 Block: 406
Address: 48 CORNERSTONE LANE
NEWARK, NJ 07103

Closing date: *August 9, 1993*
Deed Amount: 119,041.07

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Fredrick A. Frank, Jr.
Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033219

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Sec.Hill & University Hts.Ill
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PRODUCTS-COMP/OP AGG. \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
<input checked="" type="checkbox"/>	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: FREDERICK A. MORTON, JR., UNMARRIED

Fidelity Limit: \$100,000.

LOC: 48 CORNERSTONE LANE, NEWARK, NJ 07103 (21H) LOT: 21.08 BLOCK: 406

CERTIFICATE HOLDER

SEARS MORTGAGE CORPORATION,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILLS, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Clanford, NJ 07016

908-272-8100

INSURED

Sec. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****COVERAGES**

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	CLAIMS MADE, <input checked="" type="checkbox"/> OCCUR.				PRODUCTS-COMP/OP AGG. \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: FREDERICK A. MORTON, JR., UNMARRIED

Fidelity Limit: \$100,000.

LOC: 48 CORNERSTONE LANE, NEWARK, NJ 07103 (21H) LOT: 21.08 BLOCK: 406

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SEARS MORTGAGE CORPORATION,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
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LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010038000

THIS INDENTURE
(Site C and E)

Dated AUGUST 9, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND FREDERICK A. MORTON, JR., UNMARRIED

the GRANTEE

about to reside at 48 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$119,041.07
ONE HUNDRED NINETEEN THOUSAND FORTY ONE AND 07/100----- Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. H, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

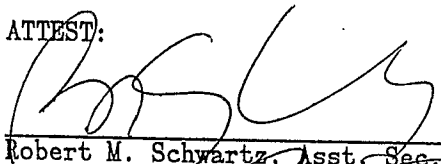
The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.08, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

KHOV033243

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On AUGUST 9, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 119,041.07.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

Donna O'Boyle
DONNA O'BOYLE

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Sept. 3, 1997

Robert M. Schwartz, Asst. Secy

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 9TH day of AUGUST, 1993.

GRANTEE FREDERICK A. MORTON, JR. GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 9TH day of AUGUST, 1993, before me, the subscriber FREDERICK A. MORTON, JR., personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
FREDERICK A. MORTON, JR.

CHARGE, RECORD AND RETURN TO

JACK C. FEINSTEIN, ESQUIRE
RR 3, BOX 399
HAMPTON, NJ 08827

KHOV033244

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc.Hill 2 University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY				
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PRODUCTS-COMP/OP AGG. \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION				
	AND				STATUTORY LIMITS
	EMPLOYERS' LIABILITY				EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE
A TRUE COPY

8/6/93
80

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: FREDERICK A. MORTON, JR., UNMARRIED

Fidelity Limit: \$100,000.

LOC: 48 CORNERSTONE LANE, NEWARK, NJ 07103 (21H) LOT: 21.08 BLOCK: 406

KH0V033254**CERTIFICATE HOLDER**

SEARS MORTGAGE CORPORATION,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILLS, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Kevin L. Ledy

010036000

CR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: H

The Purchase Agreement between FREDERICK A. MORTON, JR. BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 5/8/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 120,656.07
2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3,619.68
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,036.39
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,500.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 119,046.07.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

5/26/93
DATE

Frederick A. Morton, Jr.
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033272

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): FREDERICK A. MORTON, JR. (u) of 101 BLEEKER STREET, BOX #27
Tel: Res: (201) 824-7943 NEWARK
Bus: () NJ ,07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.08
BLDG NO.: 21 , UNIT NO: H , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 17-APR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 17-APR-1993
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 17-MAY-1993
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$ 92,000.00 MORTGAGE CONTINGENCY DATE: 16-JUN-1993
Estimated COMPLETION DATE: 14-FEB-1993
30-JUNE-1993 ✓ DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

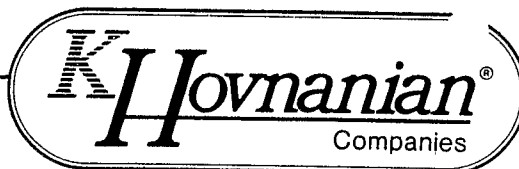
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033273



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor co-contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1998

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 17 day of April, 1993.

Buyer: Frederick A. Morkin, Jr.

[Signature]

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Frederick A. Morkin, Jr. 4/17/1993
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature] 4-20-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV033277



February 1, 1993

X Tax Collector

Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: FRAZIER
Lot: 21.09 Block: 406
Address: 46 Cornerstone Lane
Newark, NJ 07103

Closing date: 5-27-93
Deed Amount: 139,105.10

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Eda M. Frazier 3/2/93
Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033282

THIS INDENTURE
(Site C and E)

Dated MAY 27, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ADA M. FRAZIER, UNMARRIED

the GRANTEE

about to reside at 46 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$139,105.10 ONE HUNDRED THIRTY NINE THOUSAND ONE HUNDRED FIVE AND 10/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. I, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

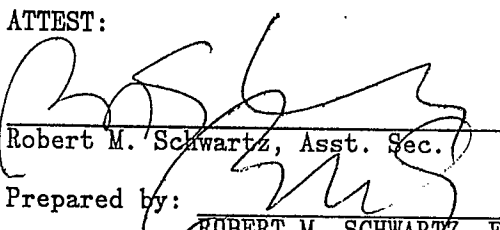
The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.09, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

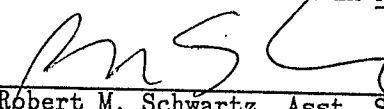
BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: ROBERT M. SCHWARTZ, ESQ.

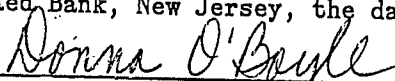
KHOV033308

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 27, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 139,105.10.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 27TH day of MAY, 1993.

GRANTEE ADA M. FRAZIER

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 27TH day of MAY, 1993, before me, the subscriber ADA M. FRAZIER, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
ADA M. FRAZIER

CHARGE, RECORD AND RETURN TO NEIL J. DWORKIN, ESQUIRE
664 STUYVESANT AVENUE, IRVINGTON, NJ 07111

KHOV033309

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

INSURED

Soc.Hill 2 University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				GENERAL AGGREGATE \$ 2000000
A X	COMMERCIAL GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	PRODUCTS-COMP/OP AGG. \$ 1000000
	CLAIMS MADE X OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ADA M. FRAZIER, UNMARRIED
LOC: 46 CORNERSTONE LANE, NEWARK, NJ 07103 (21I)

Fidelity Limit: \$100,000.

KH0V033319

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
COMPANY LETTER **B**
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
	AUTOMOBILE LIABILITY				MED. EXPENSE (Any one person) \$ 5000
					COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ADA M. FRAZIER, UNMARRIED Fidelity Limit: \$100,000.
LOC: 46 CORNERSTONE LANE, NEWARK, NJ 07103 (21I) LOT: 21.09 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacLean
21 Commerce Drive
Cranford, NJ 07016

908-272-1100

INSURED

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				GENERAL AGGREGATE \$ 1,000,000
A X	COMMERCIAL GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	PRODUCTS-COMP/OP AGG. \$ 1,000,000
	CLAIMS MADE X OCCUR.				PERSONAL & ADV. INJURY \$ 1,000,000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 50,000
					MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION				STATUTORY LIMITS
	AND				EACH ACCIDENT \$
	EMPLOYERS' LIABILITY				DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ADA M. FRAZIER, UNMARRIED Fidelity Limit: \$100,000.
LOC: 46 CORNERSTONE LANE, NEWARK, NJ 07103 (211) LOT: 21.09 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 31

PURCHASE AGREEMENT DATED: 1/31/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,570.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

\$ 5620.10

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 4,198.50

Deposit balance due \$ _____

due on _____

Additional deposit \$ _____

due on _____

Total deposit \$ 4,198.50

Balance due at closing
(cash of certified check) \$ 136,371.60

Total Purchase Price \$ 140,570.10

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 2/1/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033334

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.21.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

Wayne Soojian

DATE 5/20/93

WITNESS AS TO SIGNATURE
OF ALL BUYERS

Five Weeks

"BUYER"
Ada M. Hovnanian

FORMS DS/PR/INCE
02/12/90

KHOV033335

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 21

PURCHASE AGREEMENT DATED: 1/31/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,570.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

_____ \$ 5620.10

_____ \$ _____

_____ \$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 4,198.50

Deposit balance due \$ _____ due on _____

Additional deposit \$ _____ due on _____

Total deposit \$ 4,198.50

Balance due at closing
(cash of certified check) \$ 136,371.60

Total Purchase Price \$ 140,570.10

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/31/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033336

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.21.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

Wayne Soojian
Wayne Soojian

DATE 5/20/93

WITNESS AS TO SIGNATURE
OF ALL BUYERS

Jim Weems

"BUYER"
Ada M. Manjiv

FORMS DS/PR/INCE
02/12/90

KHOV033337

OK

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 31

PURCHASE AGREEMENT DATED: 1/31/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,570.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____
\$ 5620.10
\$ _____
\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 4,198.50
Deposit balance due \$ _____ due on _____
Additional deposit \$ _____ due on _____
Total deposit \$ 4,198.50
Balance due at closing \$ 136,371.60
(cash of certified check)
Total Purchase Price \$ 140,570.10

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/31/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033338

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 5.21.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

Wayne Soojian
Wayne Soojian

DATE 5/20/93

WITNESS AS TO SIGNATURE
OF ALL BUYERS

Sara Weiss

"BUYER"
Adrian M. Hargreaves

FORMS DS/PR/INCE
02/12/90

KHOV033339

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Ada M. Frazier

_____, Buyer.

UNIT I, BLDG. 21

PURCHASE AGREEMENT DATED: 1/30/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 134,950.10

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____
\$ 5,000.10
\$ _____
\$ _____
\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00
Deposit balance due \$ 3,048.50 due on 2/27/93
Additional deposit \$ 150.00 due on 3/27/93
Total deposit \$ 4,198.50
Balance due at closing
(cash of certified check) \$ 135,751.60
Total Purchase Price \$ 139,950.10

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 50,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/31/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033342

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 8.3.93

DATE 2/27/93

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Fin Weems

FORMS DS/PR/INCE
2/12/90

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

"BUYER"

Ada M. Franjer

KHOV033343

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ADA M FRAZIER (W) of 88 WILSEY STREET
Tel: Res: (201) 643-4662 NEWARK
Bus: (201) 575-3990 NJ ,07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.09
BLDG NO.: 21 , UNIT NO: I , MODEL: TPFGL800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	30-JAN-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	30-JAN-1993
	ADDITIONAL DEPOSIT	\$	3,048.50	BY DATE	01-MAR-1993
	BALANCE at CLOSING	\$	130,901.50	PAID by	CERTIFIED CHECK
	Total PAYMENT		\$134,950.00		

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 31-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033344



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the "increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Comm. Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 30th day of January, 1993.

Buyer:

Ada M. Frasier

Lisa M. Weems

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Ada M. Frasier 1-30-93
BUYER _____ DATE _____

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

2-3-93
DATE

KHOV033348



April 14, 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

____ Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: DIXON
Lot: 21.10 Block: 406
Address: 44 Cornerstone Lane
Newark, NJ 07103

Closing date: 7-28-93
Deed Amount: 140,775.28

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Edward M. Dixon
Buyer

Dorothy V. Dixon
Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033353

THIS INDENTURE
(Site C and E)

Dated JULY 28, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND EDWARD M. DIXON AND DOROTHY V. DIXON, H/W

the GRANTEE

about to reside at 44 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$140,775.28 ONE HUNDRED FORTY THOUSAND SEVEN HUNDRED SEVENTY FIVE AND 28/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. 1, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.10, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

WAYNE J. SOOJIAN
Sales & Marketing Director

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

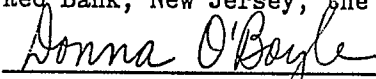
KHOV033376

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On JULY 28, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 140,775.28.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



DONNA O'BOYLE

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Sept. 3, 1998 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of JULY, 1993.

GRANTEE EDWARD M. DIXON

GRANTEE DOROTHY V. DIXON

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of JULY, 1993, before me, the subscriber EDWARD M. DIXON & DOROTHY V. DIXON personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
EDWARD M. DIXON AND DOROTHY V. DIXON

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV033377

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc.Hill 2 University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000 PRODUCTS-COMP/OP AGG. \$ 1000000 PERSONAL & ADV. INJURY \$ 1000000 EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

CERTIFIED TO BE
A TRUE COPY
7/22/93

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: EDWARD M. DIXON AND DOROTHY V. DIXON, H/W Fidelity Limit: \$100,000.
LOC: 44 CORNERSTONE LANE, NEWARK, NJ 07103 (21J) LOT: 21.10 BLOCK: 406

KH0V033387

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

af

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Edward M. Dixon

Dorothy V. Dixon

_____, Buyer.

UNIT F, BLDG. 21

PURCHASE AGREEMENT DATED: 4/13/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 141,935.28

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____

_____ \$ 6,985.28

_____ \$ _____

_____ \$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ _____ due on _____

Total deposit \$ 1,000.00

Balance due at closing \$ 140,935.28
(cash of certified check)

Total Purchase Price \$ 141,935.28

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 141,900.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 6/12/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033403

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE

5.9.93

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

DATE

5/6/93

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Eric Weiss

x Edward Deke

x Dorothy V. Deke

FORMS DS/PR/INCE
2/12/90

KHOV033404

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): EDWARD M DIXON (H) of 2390 SECOND AVENUE/APT 14E
Tel: Res: (212) 348-8155 NEW YORK
Bus: (718) 330-5040 NY ,10035.

DOROTHY V DIXON (W) of 2390 SECOND AVENUE/APT 14E
Tel: Res: (212) 348-8155 NEW YORK
Bus: (212) 305-6533 NY ,10035.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.10
BLDG NO.: 21 , UNIT NO: J , MODEL: TPF61800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 13-APR-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 13-APR-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 13-MAY-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$134,950.00 MORTGAGE CONTINGENCY DATE: 12-JUN-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033405



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 13, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 13th day of April, 1993.

Buyer: Edward M. Dub

Lisa M. Weems

Buyer: Dorothy V. Dyer

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

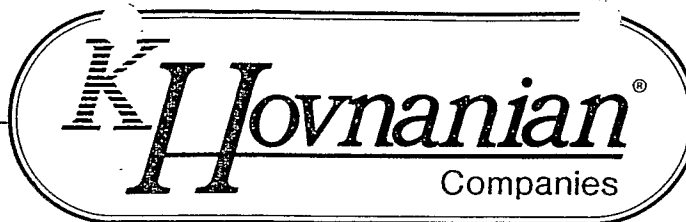
Edward M. Dub 4-13-93
BUYER DATE

Dorothy V. Dyer 4/13/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Wayne Soojian 4-16-93
BY: DATE
WAYNE SOOJIAN
DIRECTOR OF MARKETING AND SALES

KHOV033409



____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BONNEAU
Lot: 21.11 Block: 406
Address: 42 Cornerstone Lane
Newark, NJ 07103

Closing date: JANUARY 28, 1994
Deed Amount: \$121,510.89

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

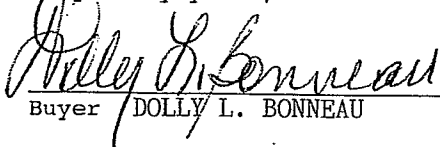
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.


Please change your account records immediately to reflect the above.

Very truly yours,


Buyer DOLLY L. BONNEAU

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033416



X Tax Collector

Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

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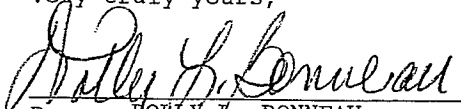
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

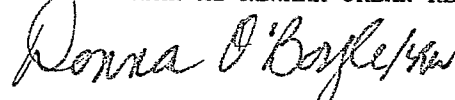
Please change your account records immediately to reflect the above.

Very truly yours,


Buyer DOLLY L. BONNEAU

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033417

THIS INDENTURE
(Site C and E)

Dated JANUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DOLLY L. BONNEAU, UNMARRIED

the GRANTEE

about to reside at 42 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$121,510.89
ONE HUNDRED TWENTY ONE THOUSAND FIVE HUNDRED TEN AND .89/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. K, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.11, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV033456

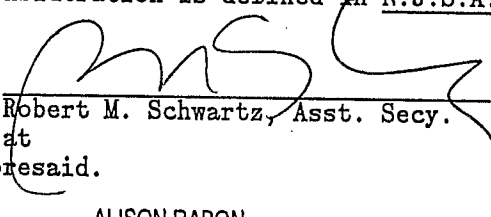
Robert M. Schwartz, Asst. Sec.

Prepared by:

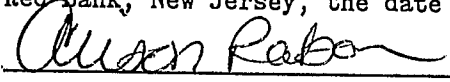
ROBERT M. SCHWARTZ, ESQ.

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On JANUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 127,510.89.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 1, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of JANUARY, 1994.

GRANTEE DOLLY L. BONNEAU

GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of JANUARY, 1994, before me, the subscriber DOLLY L. BONNEAU, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
DOLLY L. BONNEAU

CHARGE, RECORD AND RETURN TO ALICIA D. BASS, ESQUIRE
880 BERGEN AVE/SUITE 201
JERSEY CITY, NJ 07306

KHOV033457

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E**INSURED**

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BINDER 355764	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 3000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER #355764	1/01/94	1/01/95	\$11,475,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DOLLY L. BONNEAU, UNMARRIED

Fidelity Limit: \$100,000.

LOC: 42 CORNERSTONE LANE, NEWARK, NJ 07103 (21K) LOT: 21.11 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD 25-S (7/90)

KH0V033467

©ACORD CORPORATION 1990

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BINDER 355764	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 3000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER #355764	1/01/94	1/01/95	\$11,475,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DOLLY L. BONNEAU, UNMARRIED

Fidelity Limit: \$100,000.

LOC: 42 CORNERSTONE LANE, NEWARK, NJ 07103 (21K) LOT: 21.11 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

ACORD 25-S (7/90)

© ACORD CORPORATION 1990

KH0V033476

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY				GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
	AUTOMOBILE LIABILITY				MED. EXPENSE (Any one person) \$ 5000
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	EXCESS LIABILITY				
	UMBRELLA FORM				EACH OCCURRENCE \$
	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: **DOLY L. BONEAU, UNMARRIED**

Fidelity Limit: \$100,000.

LOC: **42 CORNELL LANE, NEWARK, NJ 07103 (2IK) LOT: 21.11 BLOCK: 406****CERTIFICATE HOLDER**

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

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AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: **DOLLY L. BONAUI, UNPAID**

Fidelity Limit: \$100,000.

LOC: **42 CONESKONE LANE, NEWARK, NJ 07103 (21K) LOT: 21.11 BLOCK: 406****CERTIFICATE HOLDER**

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Speaker Sharnay L. MacBean
21 Commerce Drive
Cranford, NJ 07016

902-277-4151

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Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
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Red Bank
NJ 07701

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY				
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PRODUCTS-COMP/OP AGG. \$ 1,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 1,000,000
					EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 50,000
					MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				
	<input type="checkbox"/> ANY AUTO				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> GARAGE LIABILITY				
	EXCESS LIABILITY				
	<input type="checkbox"/> UMBRELLA FORM				EACH OCCURRENCE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DOLY L. HOVNIAN, UNMARRIED

Fidelity Limit: \$100,000.

LOC: 42 CORNELL LANE, NEWARK, NJ 07103 (2IK) 10F: 21.11 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

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LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly & Bonneau BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 123,065.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 119,431.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 121,510.89
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

7/21/93
DATE

Dolly & Bonneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian

WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033490

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 28

Unit No.: K

The Purchase Agreement between Delly F. Bonneau BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 131,965.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 118,331.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 130,410.89
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

October 2/1993

BUYER

Delly F. Bonneau

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033499

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: K

The Purchase Agreement between Dolly F. Bruneau BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 7/17/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 121,150.89
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,634.53
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,516.36
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 109,600.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 120,410.89.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

Sept. 11, 1993
DATE

Dolly F. Bruneau
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033500

SUMMARY OF BASIC PROVISIONS

The SELLER: R. HOVNANIAN GENEWARE URBAN RENOVATION CORP. Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07101.

The BUYER(S): DOLLY L. BONNEAU (W) of 37 CONVERSE STREET/APT D.
Tel: Res: (201) 824-8552 NEWARK
Bus: (201) 761-4298 NJ 07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 400 LOT NO: 21.17
BLDG NO: 21 UNIT NO: K MODEL: TPT01400-KB

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 12-JUL-1993
ON SIGNED CONTRACT \$ 1,000.00 ON DATE 17-JUL-1993
ADDITIONAL DEPOSIT \$ 3,470.50 BY DATE 16-AUG-1993
BALANCE at CLOSING \$112,479.50 PAID by CERTIFIED CHECK
Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$112,479.50 MORTGAGE CONTINGENCY DATE: 15-SEP-1993
Estimated COMPLETION DATE: 15-SEP-1993
BY NOV 1993.

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

R. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) 7-15-93 DATE

Dolly L. Bonneau 7/17/93
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGrovey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07101

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 17th day of July, 1993.

Buyer:

Dolly G. Bonneau

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Dolly G. Bonneau 7/17/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY:

Wayne
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

7-19-93

KHOV033507



March 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: FERGUSON
Lot: 21.12 Block: 406
Address: 40 CORNERSTONE LANE
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: February 28, 1994

Deed Amount: \$128,513.44

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

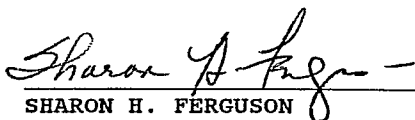
The bank who holds our mortgage is:

Our Mortgage Account No.:


Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


SHARON H. FERGUSON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033513

K Hovnanian[®]

Companies

March 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: FERGUSON
Lot: 21.12 Block: 406
Address: 40 CORNERSTONE LANE
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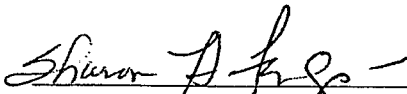
The bank who holds our mortgage is:

Our Mortgage Account No.:


Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


SHARON H. FERGUSON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033514

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND SHARON H. FERGUSON, UNMARRIED

the GRANTEE

about to reside at 40 CORNERSTONE LANE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$128,513.44
ONE HUNDRED TWENTY EIGHT THOUSAND FIVE HUNDRED THIRTEEN AND .44/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. L, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

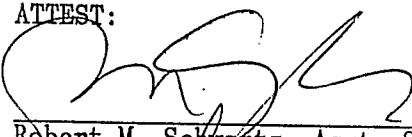
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

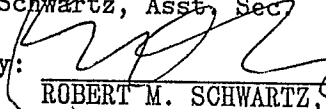
Being also known as Lot No. 21.12, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

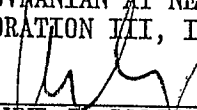

Robert M. Schwartz, Asst. Sec.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

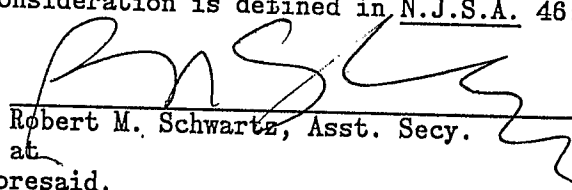
BY:


WAYNE J. SOOJYAN,
Sales & Marketing Director

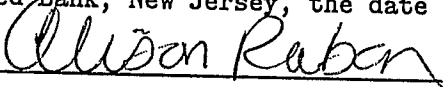
KHOV033533

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 128,513.44.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE SHARON H. FERGUSON

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber SHARON H. FERGUSON, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
SHARON H. FERGUSON

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV033534

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Maeker Sharkey & MacDean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A St. Paul Fire & Marine

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

INSURED
Sec. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 500,000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 500,000
	CLAIMS MADE OCCUR.				PERSONAL & ADV. INJURY \$ 300,000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 300,000
					FIRE DAMAGE (Any one fire) \$ 50,000
					MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				
A	Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

CERTIFIED TO BE
A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: SHARON H. FERGUSON, UNMARRIED

LOC: 40 CORNERSTONE LANE, NEWARK, NJ 07103 (21L) LOT: 21.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 5000000
	<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 3000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
OTHER	A Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
	A Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: **SHARON H. FERGUSON, UNMARRIED**LOC: **40 CORNERSTONE LANE, NEWARK, NJ 07103 (21L) LOT: 21.12 BLOCK: 406****KHOV033552****CERTIFICATE HOLDER**

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
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AUTHORIZED REPRESENTATIVE

010036000

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ISSUE DATE (MM/DD/YY)

PRODUCER

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21 Commerce Drive
Cranford, NJ 07016

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COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Sac.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000 PRODUCTS-COMP/OP AGG. \$ 5000000 PERSONAL & ADV. INJURY \$ 3000000 EACH OCCURRENCE \$ 3000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	OTHER A Bldg. & Cnts A Fidelity	BC02900238 BC02900238	1/01/94 1/01/94	1/01/95 1/01/95	\$11,475,000. \$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: SHARON H. FERGUSON, UNMARRIED

LOC: 40 CORNERSTONE LANE, NEWARK, NJ 07103 (21L) LOT: 21.12 BLOCK: 406

KHOV033554**CERTIFICATE HOLDER**

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
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LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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Soc Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 5000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER	BC02900238	1/01/94	1/01/95	\$11,475,000.
	Bldg. & Cnts				
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: SHARON H. FERGUSON, UNMARRIED

LOC: 40 CORNERSTONE LANE, NEWARK, NJ 07103 (21L) LOT: 21.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

KHOV033555

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSUREDSoc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BC02900238	1/01/94	1/01/95	GENERAL AGGREGATE \$ 5000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 5000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 3000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 3000000
					FIRE DAMAGE (Any one fire) \$ 50000
	AUTOMOBILE LIABILITY				MED. EXPENSE (Any one person) \$ 5000
					COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
					AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Bldg. & Cnts	BC02900238	1/01/94	1/01/95	\$11,475,000.
A	Fidelity	BC02900238	1/01/94	1/01/95	\$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: SHARON H. FERGUSON, UNMARRIED

LOC: 40 CORNERSTONE LANE, NEWARK, NJ 07103 (21L) LOT: 21.12 BLOCK: 406

CERTIFICATE HOLDERK. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: L

The Purchase Agreement between Sharon Ferguson BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-6-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,548.44
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3900.25
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 126,648.19
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 114,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,513.44.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-5-94
DATE

Sharon A. Ferguson
BUYER

BUYER

BUYER

SELLER CORPORATION

BY: Wayne Soojin

WAYNE SOOJIN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033566

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: L

The Purchase Agreement between Sharon Ferguson BUYER(S)

BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 12-6-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 130,548.44
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1211.75
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 129,336.69
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 114,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,513.44
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-20-93
DATE

X Sharon A. Ferguson
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033567

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Sharon Ferguson

_____, Buyer.

UNIT: L BLDG. 21

PURCHASE AGREEMENT DATED: 12-6-93

(1) Seller will give a credit to Buyer at the closing to
be taken from the Total Purchase Price of the Unit and
Decorator Selections equal to: \$ 3200.00

(2) This credit program is available only to Buyers of
Units within certain buildings comprising Society Hill at
University Heights III a Condominium (chosen at Seller's
discretion) and to those Buyers who sign Purchase Agreements
and Decorator Selection Riders and who close title or
otherwise comply with this addendum.

DATE _____

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 12-13-93

"BUYER"

X Sharon H. Ferguson

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

[Signature]

KHOV033568

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K. HOVNIANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): SHARON H FERGUSON (4) of 268 N. ORATON PKWY
Tel: Res: (201) 674-7147 E. ORANGE
Bus: (212) 390-2192 NJ

07017
10045
10045

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 21.12
BLDG NO.: 21 , UNIT NO: L , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$122,950.00
Consisting of:
BASE PRICE of MODEL \$122,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-DEC-1993
ADDITIONAL DEPOSIT \$ 2,688.50 BY DATE 05-JAN-1994
BALANCE at CLOSING \$119,261.50 PAID BY CERTIFIED CHECK
Total PAYMENT \$122,950.00

MORTGAGE AMOUNT : \$120,000.00 MORTGAGE CONTINGENCY DATE: 04-FEB-1994
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) 12.10.93 DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

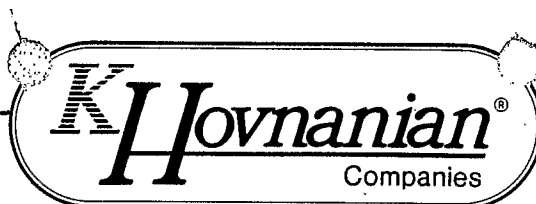
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033571



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (which will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 6 day of Dec, 1993.

Buyer: X Sharon Figs - 12/6/93

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Sharon Figs - 12/6/93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Wayne Soojian 12.10.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033575

THIS INDENTURE

Dated AUGUST 31, 1993 (Site C and E)

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ROXANNA M. SCOTT, MARRIED

the GRANTEE

about to reside at 51 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$133,413.44 ONE HUNDRED THIRTY-THREE THOUSAND FOUR HUNDRED THIRTEEN AND 44/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. A, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.01, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

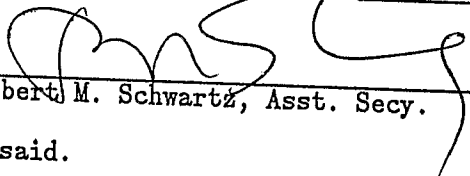
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV033600

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On AUGUST 31, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 133,413.44.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 31ST day of AUGUST, 1993.

GRANTEE ROXANNA M. SCOTT

GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 31ST day of AUGUST, 1993, before me, the subscriber ROXANNA M. SCOTT, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
ROXANNA M. SCOTT

CHARGE, RECORD AND RETURN TO JOSEPH J. TALAFOUS, ESQUIRE

924 BERGEN AVENUE, JERSEY CITY, N.J. 07306

KHOV033601

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A St. Paul Fire & Marine

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	CLAIMS MADE X OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRE AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	UMBRELLA FORM				AGGREGATE \$
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION				STATUTORY LIMITS
	AND				EACH ACCIDENT \$
	EMPLOYERS' LIABILITY				DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ROXANNA M. SCOTT, MARRIED

Fidelity Limit: \$100,000.

LOC: 51 YANCY DRIVE, NEWARK, NJ 07103 (21A) LOT: 21.01 BLOCK: 406

KHOV033611

CERTIFICATE HOLDER

SEARS MORTGAGE CORPORATION,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILLS, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

CERTIFIED TO BE
A TRUE COPY

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E**

INSURED

Soc.Hill @ University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

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A	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
OTHER	A Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ROXANNA M. SCOTT, MARRIED

Fidelity Limit: \$100,000.

LOC: 51 YANCY DRIVE, NEWARK, NJ 07103 (21A) LOT: 21.01 BLOCK: 406

CERTIFICATE HOLDER

SEARS MORTGAGE CORPORATION,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILLS, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KH0V033617

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER

A

St. Paul Fire & Marine

COMPANY
LETTER

B

COMPANY
LETTER

C

COMPANY
LETTER

D

COMPANY
LETTER

E

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ROXANNA M. SCOTT, MARRIED

Fidelity Limit: \$100,000.

LOC: 51 YANCY DRIVE, NEWARK, NJ 07103 (21A) LOT: 21.01 BLOCK: 406

CERTIFICATE HOLDER

SEARS MORTGAGE CORPORATION,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILLS, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KH0V033618

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: A

The Purchase Agreement between Rivanna M. Scott BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 5/29/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 134,968.44
2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 4049.05
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 130,919.39
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 130,900.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 133,413.44.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

5/29/93

BUYER

Rivanna Scott

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033630

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): ROXANNA M SCOTT (M) of 357 VARICK STREET/APT 127B
Tel: Res: (201) 309-2399 JERSEY CITY
Bus: (212) 998-5075 NJ 07302.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.01
BLDG NO.: 21 , UNIT NO: A , MODEL: TPTG1500-BB >

The PURCHASE PRICE : \$125,950.00
Consisting of:
BASE PRICE of MODEL \$125,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	29-MAY-1993
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	29-MAY-1993
	ADDITIONAL DEPOSIT	\$	2,778.50	BY DATE	28-JUN-1993
	BALANCE at CLOSING	\$122,171.50	PAID by CERTIFIED CHECK		
	Total PAYMENT	\$125,950.00			

MORTGAGE AMOUNT : \$122,150.00 MORTGAGE CONTINGENCY DATE: 28-JUL-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

R. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033631

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 29th day of May, 1993.

Buyer:

[Signature]

[Signature]

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:

[Signature]
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

6.11.93

KHOV033635

K Hovnanian[®]

Companies

October 1, 1992

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. Hovnanian at Newark
Urban Renewal Corporation
III, Inc.

To: PENALOZA & LUGARDO
Lot: 21.02 Block: 406
Address: 53 YANCY DRIVE
NEWARK, NJ 07103
Closing date: 2-26-93

DEED AMT: 119,404.67

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Lucy N. Penaloza
Buyer

Jose Lugo
Buyer

K. HOVNANIAN OF NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033638

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 26, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND LUCY N. PENALOZA, UNMARRIED AND JOSE E. LUGARDO, UNMARRIED
the GRANTEE

about to reside at 53 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$119,404.67
ONE HUNDRED NINETEEN THOUSAND FOUR HUNDRED FOUR AND 67/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. B, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.02, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

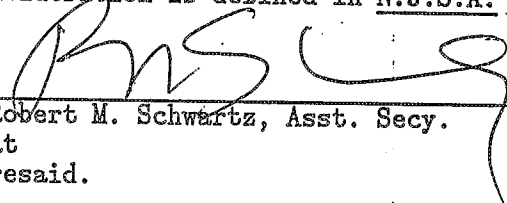
BY: Wayne J. Soojian
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: Robert M. Schwartz, Esq.

KHOV033658

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 26th, 1993 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to, the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 119,404.67.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Dec. 6, 1996 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 26th day of FEBRUARY, 1993.

GRANTEE LUCY N. PENALOZA

GRANTEE JOSE E. LUGARDO

State of New Jersey) ss:
County of _____)

Be it remembered, that on this 26th day of FEBRUARY, 1993, before me, the subscriber LUCY N. PENALOZA AND *, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

JOSE E. LUGARDO

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
LUCY N. PENALOZA AND JOSE E. LUGARDO

CHARGE, RECORD AND RETURN TO AMILKAR VELEZ-LOPEZ, ESQUIRE
208 BLOOMFIELD AVENUE, NEWARK, NJ 07021

KHOV033659

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016
908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A****St. Paul Fire & Marine**COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
A	Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

**CERTIFIED TO BE
A TRUE COPY****DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**

OWNER: LUCY N. PENALOZA, UNMARRIED AND JOSE E. LUCARDO, UNMARRIED **Fidelity Limit \$100,000.**
LOC: 53 YANCY DRIVE, NEWARK, NJ 07103 (21B) LOT: 21.02 BLOCK: 406

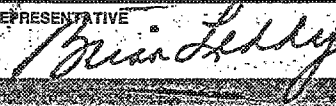
CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

ACORD 25-S (7/90)

KHOV033668

ACORD CORPORATION-1990

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Lucy N. Peralera

Jose E. Fugardo

Buyer.

UNIT B, BLDG. 21

PURCHASE AGREEMENT DATED: 9/30/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 121,569.67

Consisting of:

BASE PRICE of MODEL: \$ 115,950.00
and Premiums:

DS Number \$ _____

\$ 5619.67

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ _____ due on _____

Additional deposit \$ 168.59 due on 11/10/93

Total deposit \$ 1168.59

Balance due at closing
(cash of certified check) \$ 120,401.08

Total Purchase Price \$ 121,569.67

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 117,900.00

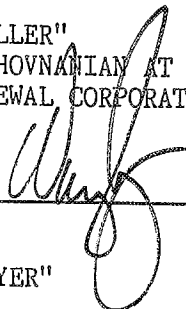
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 11/15/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOVO33685

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 1.15.93

"SELLER"
K. HOVNATIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



DATE Jan. 10, 1993

"BUYER"

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Sue Weiss

x Lucy N. Penaloza

x Jose Sugarcia

FORMS DS/PR/INCE
2/12/90

KHOV033686

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): LUCY N PENALOZA (U) of PO BOX 20154
Tel: Res: (201) 623-6943 NEWARK
Bus: (212) 662-1901 NJ ,07101.

JOSE E LUGARDO (U) of PO BOX 20154
Tel: Res: (201) 623-6943 NEWARK
Bus: (215) 867-7600 NJ ,07101.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL GUNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 LOT NO: 21.02
BLDG NO.: 21 UNIT NO: B MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 30-SEP-1992
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-SEP-1992
ADDITIONAL DEPOSIT \$ 2,478.50 BY DATE 30-OCT-1992
BALANCE at CLOSING \$112,471.50 PAID by CERTIFIED CHECK
Total PAYMENT \$115,950.00

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 29-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033687



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of September, 1992.

Buyer: Lucy N. Ponzalza

Lisa M. Weems

Buyer: Jose Sugaola

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER Lucy N. Ponzalza 9-30-92 DATE
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER Jose Sugaola 9-30-92 DATE

WAYNE SOOJIAN
DIRECTOR OF MARKETING AND SALES

10.2.92
DATE

KHOV033691

K Hovnanian[®]

Companies

February 26, 1993

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CLEMONS
Lot: 21.03 Block: 406
Address: 55 Yancy Drive
Newark, NJ 07103

Closing date: 2/26/93
Deed Amount: 140,700.79

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

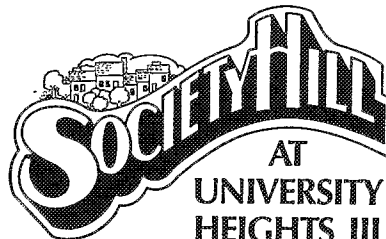
Very truly yours,

Link Clemons
Buyer

Ossie Clemons
Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033696

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 26, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND LINK CLEMONS AND OSSIE CLEMONS, H/W

the GRANTEE

about to reside at 55 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$140,700.79 ONE HUNDRED FORTY THOUSAND SEVEN HUNDRED AND 79/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. C, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.03, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

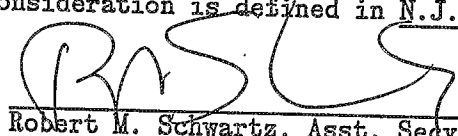
BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

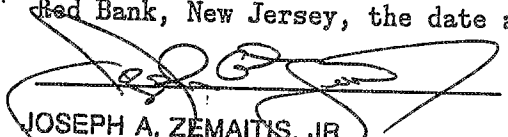
KHOV033708

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 26, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 140,700.79.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 8, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 26 day of FEBRUARY, 19 93

GRANTEE
LINK CLEMONS

GRANTEE
OSSIE CLEMONS

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 26 day of FEBRUARY, 19 93 before me, the subscriber LINK CLEMONS AND *, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

* OSSIE CLEMONS

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
LINK CLEMONS AND OSSIE CLEMONS

CHARGE, RECORD AND RETURN TO LISA A. HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, NEWARK, NJ 07102

KHOV033709

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	BINDER	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				EACH OCCURRENCE \$
	<input type="checkbox"/> GARAGE LIABILITY				AGGREGATE \$
	EXCESS LIABILITY				STATUTORY LIMITS
	<input type="checkbox"/> UMBRELLA FORM				EACH ACCIDENT \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				DISEASE—POLICY LIMIT \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				DISEASE—EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	BINDER	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LINK CLEMONS AND OSSIE CLEMONS, H/W

LOC: 55 YANCY DRIVE, NEWARK, NJ 07103 (21C) LOT: 21.03 BLOCK: 406

Fidelity Limit \$100,000.

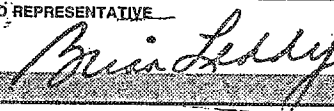
CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE INC., THEIR SUCCESSORS AND ASSIGNS
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BUILDING D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



010036000

KH0V033719

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Frank Clemons

Ossie Clemons

, Buyer.

UNIT C, BLDG. 21

PURCHASE AGREEMENT DATED: 11/16/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 140,700.79

Consisting of:

BASE PRICE of MODEL: \$ 134,950.00
and Premiums:

DS Number \$ _____
\$ 5750.79
\$ _____
\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ 3048.50 due on 1/30/93

Additional deposit \$ 172.52 due on 1/30/93

Total deposit \$ 4221.02

Balance due at closing
(cash of certified check) \$ 136,479.77

Total Purchase Price \$ 140,700.79

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 130,000.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/17/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033735

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 2.3.93

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE JAN 30-93

"BUYER"

x *Link Clemens*

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Jim Weems

x *Ossie Clemens*

FORMS DS/PR/INCE
2/12/90

KHOV033736

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LINK CLEMONS (P) of 183 HOLLYWOOD AVENUE/2ND FLOOR
Tel: Res: (201) 676-6550 EAST ORANGE
Bus: (201) 325-4768 NJ ,07018.

OSSIE CLEMONS (W) of 183 HOLLYWOOD AVENUE/2ND FLOOR
Tel: Res: (201) 676-6550 EAST ORANGE
Bus: (908) 298-3008 NJ ,07018.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL 9 UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.03
BLDG NO.: 21 , UNIT NO: C , MODEL: TPFGL800-BB

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 16-JAN-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 16-JAN-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 15-FEB-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK
Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$128,200.00 MORTGAGE CONTINGENCY DATE: 17-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

* Link Clemons 1-16-93
(BUYER) DATE

* Ossie Clemons 1-16-93
(BUYER) DATE

(SELLER) 1-19-93 DATE

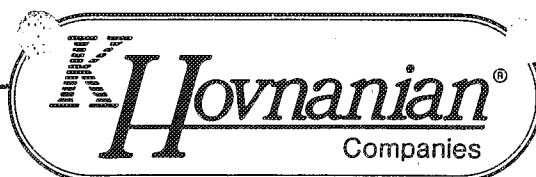
(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033737



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor, designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 16th day of January, 1993.

Buyer: Link Clemons

Lisa M. Weems

Buyer: Pessie Clemons

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Link Clemons 1-16-93
BUYER DATE

Pessie Clemons 1-16-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Wayne Soojian 1-15-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033741

K Hovnanian[®]

Companies

January 26, 1993

X Tax Collector

Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

To: LACRUISE

Lot: 21.04 Block: 406

Address: 57 Yancy Drive
Newark, NJ 07103

Closing date: SEPTEMBER 30, 1993

Deed Amount: \$138,942.98

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

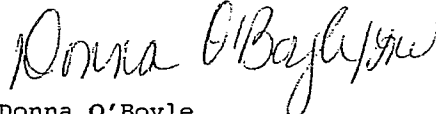
Very truly yours,



Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.



Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033747

K. Hovnanian[®]

Companies

January 26, 1993

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

X Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: LACRUISE
Lot: 21.04 Block: 406
Address: 57 Yancy Drive
Newark, NJ 07103

Closing date: SEPTEMBER 30, 1993
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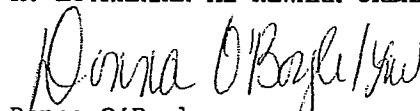
Please change your account records immediately to reflect the above.

Very truly yours,


Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Donna O'Boyle
Closing Coordinator



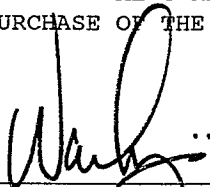
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033748

ADDENDUM TO PURCHASE AGREEMENT

RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.
BUYER: ARNOLD J. LACRUISE
BUILDING: 21 UNIT: D

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. WILL PAY \$2,250.64 OF
CLOSING COSTS TOWARD THE PURCHASE OF THE ABOVE REFERENCED UNIT.



WAYNE J. SOOJIAN

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

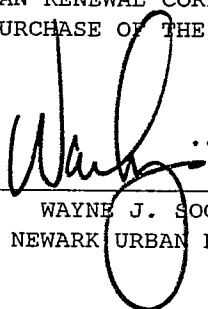
ARNOLD J. LACRUISE

KHOV033752

ADDENDUM TO PURCHASE AGREEMENT

RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.
BUYER: ARNOLD J. LACRUISE
BUILDING: 21 UNIT: D

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. WILL PAY \$2,250.64 OF
CLOSING COSTS TOWARD THE PURCHASE OF THE ABOVE REFERENCED UNIT.



WAYNE J. SOOJIAN

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

ARNOLD J. LACRUISE

KHOV033776

THIS INDENTURE
(Site C and E)

Dated SEPTEMBER 30, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ARNOLD J. LACRUISE, UNMARRIED

the GRANTEE

about to reside at 57 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$138,942.98 ONE HUNDRED THIRTY EIGHT THOUSAND NINE HUNDRED FOURTY TWO AND .98/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. D, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

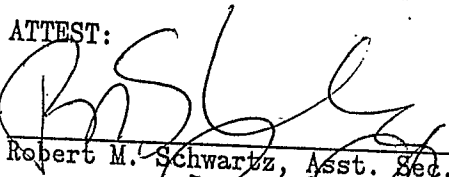
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

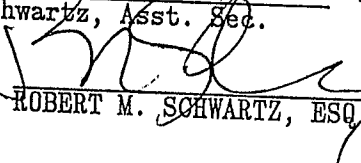
Being also known as Lot No. 21.04, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV033778

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On SEPTEMBER 30, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 138,942.98.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

Alison Rabon

Robert M. Schwartz, Asst. Secy.

ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 30TH day of SEPTEMBER, 19 93.

GRANTEE ARNOLD J. LACRUISE

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 30TH day of SEPTEMBER, 1993, before me, the subscriber ARNOLD J. LACRUISE, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
ARNOLD J. LACRUISE

CHARGE, RECORD AND RETURN TO

BEVERLY G. GISCOMBE, ESQUIRE
60 EVERGREEN PLACE, SUITE 302
EAST ORANGE, NJ 07018

KHOV033779



Enrollment NJ

784632

Lot 21.04

Development Unw. Heights #

Residential Warranty Corporation
5300 Derry Street, Harrisburg, PA 17111-3598
Phone #: 717-939-1971

LIMITED WARRANTY INSURANCE PROGRAM

INSURER: WESTERN PACIFIC MUTUAL INSURANCE COMPANY, A RISK RETENTION GROUP

LIMITED WARRANTY AGREEMENT

CLAIMS PROCEDURES

APPROVED STANDARDS

LIABILITY UNDER THIS LIMITED WARRANTY IS LIMITED TO THE FINAL SALES PRICE LISTED ON THE ENROLLMENT FORM.

THE BUILDER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE ATTACHED SALES CONTRACT OR THE ENROLLED HOME, AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS EXPRESSLY PROVIDED IN THIS LIMITED WARRANTY. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE OF THIS LIMITED WARRANTY.

PLEASE NOTE:

THE MATCHING NUMBERED ENROLLMENT FORM IS AN INTEGRAL PART OF THIS LIMITED WARRANTY.

FHA/HUD Financed Homes — see NJ HUD Addendum pg. 24

KHOV033789

WPIC #317
Rev. 9/92

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

INSURED

Soc.Hill 2 University Hts.III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
GENERAL LIABILITY					
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000 PRODUCTS-COMP/OP AGG. \$ 1000000 PERSONAL & ADV. INJURY \$ 1000000 EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 50000 MED. EXPENSE (Any one person) \$ 5000
AUTOMOBILE LIABILITY					
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
EXCESS LIABILITY					
	<input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY					
					STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
OTHER					
A	Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

**CERTIFIED TO BE
A TRUE COPY**

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ARNOLD J. LACRUISE, UNMARRIED

Fidelity Limit: \$100,000.

LOC: 57 YANCY DRIVE, NEWARK, NJ 07103 (21D) LOT: 21.04 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E**

INSURED

Sec. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	629NE6543	1/01/93	1/01/94	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ARNOLD J. LACRUISE, UNMARRIED

Fidelity Limit: \$100,000.

LOC: 57 YANCY DRIVE, NEWARK, NJ 07103 (21D) LOT: 21.04 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

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LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

KHOV033797

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****COVERAGES**

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INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.				PERSONAL & ADV. INJURY \$ 1000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$ 1000000
					FIRE DAMAGE (Any one fire) \$ 50000
					MED. EXPENSE (Any one person) \$ 5000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER Blanket Building & Contents	629NE6543	1/01/93	1/01/94	\$11,034,430.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ARNOLD J. LACRUISE, UNMARRIED

Fidelity Limit: \$100,000.

LOC: 57 YANCY DRIVE, NEWARK, NJ 07103 (21D) LOT: 21.04 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 21

Unit No.: D

The Purchase Agreement between ARNOLD J. LACRUISE BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/20/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 138,942.98
2. THE DEPOSITS ~~REQUIRED~~ ^{paid for} ARE INCREASED TO \$ 1,130.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 137,812.98
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 137,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 138,942.98.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

June 1 1993
DATE

Arnold J. Lacruise
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033812

OK

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

ARNOLD J. LACROISE

_____, Buyer.

UNIT D, BLDG. 21

PURCHASE AGREEMENT DATED: 1/25/93

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 138,942.98

Consisting of:

BASE PRICE of MODEL:
and Premiums:

\$ 134,950.00

DS Number

\$

\$ 3992.98

\$

\$

B) THE PAYMENT TERMS:

Deposit previously paid

\$ 1,000.00

Deposit balance due

\$ V/A

due on _____

Additional deposit

\$ 119.79

due on 4/20/93

Total deposit

\$ 1,119.79

Balance due at closing
(cash of certified check)

\$ 137,823.19

Total Purchase Price

\$ 138,942.98

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 137,800.00

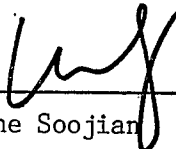
(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 3/26/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033815

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

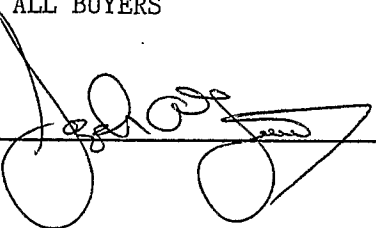
DATE 1.23.03

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.



Wayne Soojian

DATE 4/20/03

WITNESS AS TO SIGNATURE
OF ALL BUYERS



"BUYER"



FORMS DS/PR/INCE
02/12/90

KHOV033816

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP I Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ARNOLD J. LACRUISE (u) of P.O. BOX 1069
Tel: Res: (201) 675-9860 EAST ORNAGE
Bus: (201) 334-3313 NJ ,07019.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 21.04
BLDG NO.: 21 , UNIT NO: D , MODEL: TPFGL800-BB >

The PURCHASE PRICE : \$134,950.00
Consisting of:
BASE PRICE of MODEL \$134,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 25-JAN-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 25-JAN-1993
ADDITIONAL DEPOSIT \$ 3,048.50 BY DATE 24-FEB-1993
BALANCE at CLOSING \$130,901.50 PAID by CERTIFIED CHECK

Total PAYMENT \$134,950.00

MORTGAGE AMOUNT : \$130,900.00 MORTGAGE CONTINGENCY DATE: 26-MAR-1993
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Arnold J. Lacruise 1/25/93
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Wally 1-28-93
(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033817

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.
- If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.
15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.
16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.
17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.
18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.
19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 25 day of January, 1993.

Buyer: Amol L. Puri

Amol L. Puri

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Amol L. Puri 1/25/93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Wayne Soojian 1-28-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033821



February , 1993

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
Room B-26
920 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BEAUFORD
Lot: 21.05 Block: 406
Address: -59 Yancy Drive
Newark, NJ 07103

Closing date: 2/27/93
Deed Amount: 119,885.34

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

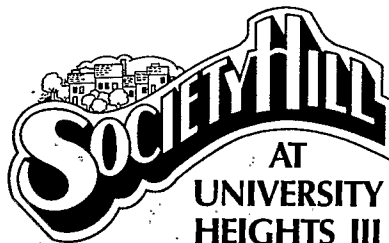
Very truly yours,

Patrick X. Beauford
Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Donna O'Boyle
Donna O'Boyle
Closing Coordinator



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033825

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 27, 1993

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND PATRICK X. BEAUFORD, ESQUIRE

the GRANTEE

about to reside at 59 YANCY DRIVE, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$119,885.34 ONE HUNDRED NINETEEN THOUSAND EIGHT HUNDRED EIGHTY FIVE AND 34/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. E, in Building No. 21, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.3952 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

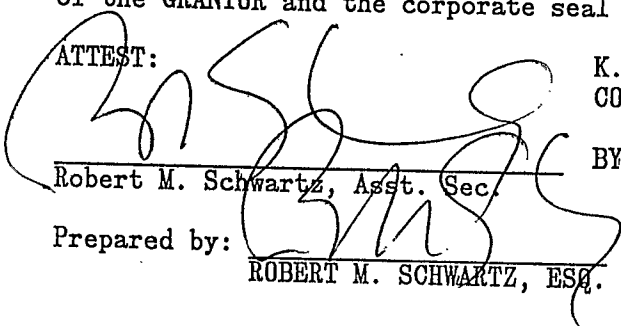
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 21.05, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

Prepared by: ROBERT M. SCHWARTZ, ESQ.

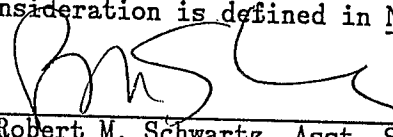
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

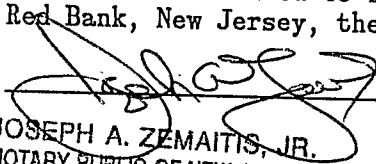
KHOV033841

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 27, 19 93 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 119,885.34.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH A. ZEMAITIS, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 8, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 27 day of FEBRUARY 19 93

GRANTEE PATRICK X. BEAUFORD

GRANTEE _____

State of New Jersey)ss:
County of _____)

Be it remembered, that on this 27 day of FEBRUARY, 19 93 before me, the subscriber PATRICK X. BEAUFORD, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

§
NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
PATRICK X. BEAUFORD

CHARGE, RECORD AND RETURN TO MALLARY STEINFELD, ESQUIRE
18 BANK STREET, MORRISTOWN, 07960

KHOV033842

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Patrick X Beauford

, Buyer.

UNIT E, BLDG. 24

PURCHASE AGREEMENT DATED: 9/26/92

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 119,885.34

Consisting of:

BASE PRICE of MODEL: \$ 115,950.00
and Premiums:

DS Number \$ _____

\$ 3,935.34

\$ _____

\$ _____

B) THE PAYMENT TERMS:

Deposit previously paid \$ 1,000.00

Deposit balance due \$ 2,478.50 due on 1/2/93

Additional deposit \$ 118.06 due on 1/2/93

Total deposit \$ 3,596.56

Balance due at closing
(cash of certified check) \$ 116,288.78

Total Purchase Price \$ 119,885.34

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 116,250.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 1/15/93, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV033872

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 1 / 2 / 93

"BUYER"

x Patrick x Beauford

WITNESS AS TO SIGNATURE
OF ALL BUYERS:

Sara Weems

FORMS DS/PR/INCE
2/12/90

KHOV033873

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): PATRICK X BEAUFORD (u) of 451 COLUMBIA STREET
Tel: Res: (718) 596-1322 BROOKLYN
Bus: () - NY ,11231.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @UNIVERSITY HEIGHTS III
NEWARK, NEW JERSEY.
BLOCK NO: 206 , LOT NO: 21.05
BLDG NO.: 21 , UNIT NO: E , MODEL: TPTG1400-BB >

The PURCHASE PRICE : \$115,950.00
Consisting of:
BASE PRICE of MODEL \$115,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	26-SEP-1992
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	26-SEP-1992
	ADDITIONAL DEPOSIT	\$ 2,478.50	BY DATE	26-OCT-1992
	BALANCE at CLOSING	\$112,471.50	PAID by CERTIFIED CHECK	
	Total PAYMENT	\$115,950.00		

MORTGAGE AMOUNT : \$112,450.00 MORTGAGE CONTINGENCY DATE: 25-NOV-1992
Estimated COMPLETION DATE: 14-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

x Patrick Beauford 9/26/92
(BUYER) DATE

(BUYER) DATE

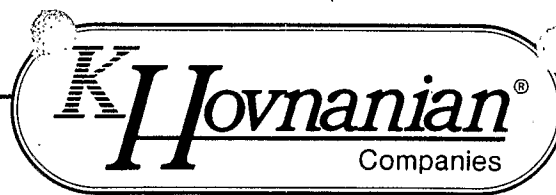
(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033874



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

LISA M. WEEMS

NOTARY PUBLIC OF NEW JERSEY

State of New Jersey) ss.
County of Essex)

My Commission Expires Sept. 13, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will)(will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 26th day of September, 1992.

Buyer: Patrick Beauford

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Patrick Beauford 9-26-92
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian DATE
DIRECTOR OF MARKETING AND SALES

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: A1

The Purchase Agreement between Gaetana Marshall BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-12-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,972.97
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,090.69
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,882.28
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 104,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 106,972.97.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

Gaetana Marshall
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojia

WAYNE SOOJIA
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033884

WYZ

ALABAMIAN ENCUMBER-DEB REMEDIAL CORP III
PROJECT : 10 - SOCIETY HILL & UNIT. HEIGHTS III EDC

D.S.No : W-22-A1
Printed: 14-DEC-1993

BLDG NO: 02 UNIT: A1
MODEL : 5141330-B

*** PRELIMINARY SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MARSHALL
CONTRACT DATE: 12-09-1993

SECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AWX01	DISHWASHER	1ST LEVEL 3 CYCLE	669.00	ALMOND	ALMOND	340.00 CH
RS00	RANGE HOOD	STANDARD RANGE HOOD	JN22	ALMOND	ALMOND	0.00 CH
RS00	PANAL	STANDARD RANGE	JN2C156E	ALMOND	ALMOND	0.00 CH
02---CABINETS---						
KUC01	KITCHEN CABINETS	NATURAL LITE				591.00 CH
TS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	4621-B	WHITE NEOLIA		0.00 CH
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	ATLANTA	46	60.0 SY	5749	DIAMOND DUST FGC0101A03
Zone: 02	1ST FLOOR STAIRS					
	CARPET	ATLANTA		75.0 SY	5749	DIAMOND DUST FGC0102A03
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	LIARLTOP	17.87 SY	64615		FEC0103-02
Package includes UPGRADE Padding in carpeted area.						
TL001	FLOORING PACKAGES -- STANDARD LAYERS					2032.97 CH
04---SELECTIONS: INTERIOR---						
MS01	STANDARD DOORS	DR. 1041 STD BIFOLD	STD BIFOLD 3'0"			0.00 CH
MS02	BIFOLD DOORS	DR. 1041 STD BIFOLD	STD BIFOLD 3'0"			0.00 CH
MS02	SLIDER DOORS	DR. 1041 STD BIFOLD	STD BIFOLD 3'0"			0.00 CH
MS01	SLIDER DOORS	DR. 1041 STD BIFOLD	STD BIFOLD 3'0"			150.00 CH

Please check this form for correct descriptions, including color, steel numbers, etc. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: X Barbara Marshall
PURCHASER: Barbara Marshall
DATE: 12-14-93
SALES REP: Barbara Marshall
SALES REP: Barbara Marshall
CONST. PER: 12-16-93

GRAND TOTAL \$ 3022.97
Incl. Mortg. Sel \$ 3022.97
AMOUNT DUE NOW \$ 90.69
AMOUNT PAID NOW \$ 90.69
AMOUNT DUE AT CLOS \$ 2932.28

90.69
X Barbara Marshall

KHOV033885

KZZ

K.HOVNANIAN ONEUARK-URB RENEWAL CORP III

D.S.No: IW-22-A1

PROJECT : IW - SOCIETY HILL & UNIV. HEIGHTS III E&C

Printed: 14-DEC-1993

BLDG NO: 22 UNIT: A1
MODEL : SH1330-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MARSHALL
CONTRACT DATE: 13-dec-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AKX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	ALMOND	ALMOND	340.00 <M
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	ALMOND	ALMOND	0.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC156E	ALMOND	ALMOND	0.00 <M
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				500.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4621-8	WHITE NEBULA	0.00 <M
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	AMBRIA	46	60.0 SY	8749	DIAMOND DUST FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	AMBRIA	46	78.0 SY	8749	DIAMOND DUST FCC0102A03
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	STAPSTEP		17.67 SY	64615	FLC0103A02
Package includes UPGRADE Padding in carpeted areas						
AFS01	FLOORING PACKAGES -- STANDARD LAYOUT					2032.97 <M
04---SELECTIONS: INTERIOR---						
MS01	BIFOLD DOORS	DR, LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 <M
MBS02	BIFOLD DOORS	DR, RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 <M
MS02	SLIDER DOORS	BR #2 STD SLIDER	STD SLIDER	4'0"		0.00 <M
MSU01	SLIDER DOORS	MSR BR #1-SLIDER	#1-SLIDER	3'0"		150.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : <i>X Patricia Marshall</i>	GRAND TOTAL	\$	3022.97
PURCHASER :	incl. Mortg. Sel	\$	3022.97
DATE : <i>D-14-93</i>			
SALES REP : <i>[Signature]</i>	AMOUNT DUE NOW	\$	90.69
SALES MGR : <i>[Signature]</i>	AMOUNT PAID NOW	\$	90.69 *CK*
CONST. MGR : <i>[Signature]</i>	AMOUNT DUE AT CLOS	\$	2932.28

KH0V033886

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K.ROMANIAN CREMARK-ORB BUREAU CORP III
PROJECT : IV - SOCIETY HILL G UNIV. HEIGHTS III E2C

D.S.No : IV-22-A1

Printed: 14-Dec-1993

BIDS NO: 22 UNIT: A1
MODEL : SR1330-A 4.0

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : MARSHALL
CONTRACT DATE: 12-dec-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01-----APPLIANCES-----						
AD001	DISHWASHER	1ST LEVEL 3 CYCLE	650500	ALMOND	ALMOND	340.00 <H
ARS00	RANGE HOOD	STANDARD RANGE HOOD	JH322	ALMOND	ALMOND	0.00 <H
ARS00	RANGE	STANDARD RANGE	JERC156E	ALMOND	ALMOND	0.00 <H
02-----CABINETS-----						
KCU01	KITCHEN CABINETS	NATURAL LITE				500.00 <H
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4621-8	WHITE REBOLA	0.00 <H
03-----FLOORING-----						
Zone: 01	2ND FLOOR					
	CARPETING	AMBERIA	46	60.0 SY	8749	DIAMOND DUST FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	AMBERIA	46	78.0 SY	8749	DIAMOND DUST FCC0102A03
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	STARSTEP		17.67 SY	64615	FLC0103A02
Package includes UPGRADE Padding in carpeted areas						
AFS01	FLOORING PACKAGES -- STANDARD LAYOUT					2032.97 <H
04-----SELECTIONS: INTERIOR-----						
MS001	BIFOLD DOORS	OR, LEFT STD BIFOLD	STD BIFOLD	3'0"		0.00 <H
MS002	BIFOLD DOORS	OR, RIGHT STD BIFOLD	STD BIFOLD	3'0"		0.00 <H
MS003	SLIDER DOORS	OR #2 STD SLIDER	STD SLIDER	4'0"		0.00 <H
MS001	SLIDER DOORS	OR #1 MI-SLIDER	MI-SLIDER	3'0"		150.00 <H

Please check this form for correct descriptions, including color, model numbers & details. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *X. J. C. Young* Marshall

PURCHASER:

DATE:

D-11-93

SALES REP:

SALES REP:

CONS. REP:

[Signature]
[Signature]
[Signature]

GRAND TOTAL \$ 3032.97

Incl. Mortg. Sel \$ 3032.97

AMOUNT DUE NOW \$ 90.69

AMOUNT PAID NOW \$ 90.69 "OK"

AMOUNT DUE AT CLOS \$ 2942.28

KHOV033887

K. J. JOHNSON & SONS - THE CENTRAL CORP. LTD.
PROJECT : 10 - SOCIETY HILL C. UNIT. HEIGHTS 111 ESC

0.3.100: 14-03-81
Printed: 14-03-1993

BLDG NO: 12 UNIT: 61
MODEL : 514139-9 10

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES 434

BUYER : MARSHALL
CONTRACT DATE: 12-03-1993

SECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01 - APPLIANCES						
AB001	DISHWASHER	1ST LEVEL 3 CYCLE	000500	ALMOND	ALMOND	345.00 CH
AB500	RANGE HOOD	STANDARD RANGE HOOD	00322	ALMOND	ALMOND	0.00 CH
AB500	RANGE	STANDARD RANGE	000155E	ALMOND	ALMOND	0.00 CH
02 - CABINETS						
BT001	KITCHEN CABINETS	NATURAL LEX				500.00 CH
KY500	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4621-8	WHITE PEBBLE	0.00 CH
03 - FLOORING						
Zone: 01	2ND FLOOR					
	CARPETING	ASPHIN	46	69.0 SY	8749	DIAMOND DUST FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	ASPHIN	46	70.0 SY	8749	DIAMOND DUST FCC0102A03
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	VIACETLE	17.67 SY	64015		FCC0103A03
Package includes UPGRADE Padding in carpeted areas						
BS501	FLOORING PACKAGES - STANDARD LAMINAT					2032.97 CH
04 - COLLECTIONS: INTERIOR						
BS501	WIDOW WINGS	OP. LEFT 510 BIFOLD	510 BIFOLD	3'0"		0.00 CH
BS502	WIDOW WINGS	OP. RIGHT 510 BIFOLD	510 BIFOLD	3'0"		0.00 CH
BS503	SLIDER DOORS	OP. 510 SLIDER	510 SLIDER	4'0"		0.00 CH
BS504	SLIDER DOORS	OP. 510 SLIDER	510 SLIDER	3'0"		150.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: X. J. Johnson
PURCHASER: X. J. Johnson
DATE: 12-14-93
SALES REP: X. J. Johnson
SALES REP: X. J. Johnson
CNSY. REP: X. J. Johnson

GRAND TOTAL \$ 3022.97
incl. Mortg. Sel \$ 3022.97
AMOUNT DUE NOW \$ 20.69
AMOUNT PAID NOW \$ 90.69 "OK"
AMOUNT DUE AT CLOS \$ 3022.20

90.69

KHOV033888

Printed: 14-DEC-1993

DUES : PAYABLE
 CONTACT DATE: 11-02-1977

KHOV033889

U.S. No. : 88-22-01
Printed: 12-11-1993

WEEK 1: 2000-2001
 CHURCH OFF: 1: 100-1221

[illegible]

UNITED STATES GOVERNMENT		OFFICE OF THE SECRETARY OF DEFENSE		WASHINGTON, D.C. 20301	
1000	UNITED STATES GOVERNMENT	1000	UNITED STATES GOVERNMENT	1000	UNITED STATES GOVERNMENT
1000	UNITED STATES GOVERNMENT	1000	UNITED STATES GOVERNMENT	1000	UNITED STATES GOVERNMENT

[illegible]

Casey D. Hill, 1000 South 10th St.,
 Carrollton, La. 70006

1. NAME OF PERSON
 2. ADDRESS
 3. CITY

These results suggest that the model is correct and that the model is correct.

1004 EDWARD SPENCER - STATION LEADER RECEIVED 10/26/61

COSTS OF THE INVESTMENT				
00001	STOCK PURCHASE	100,000	100,000	100,000
00002	STOCK PURCHASE	100,000	100,000	100,000
00003	STOCK PURCHASE	100,000	100,000	100,000
00004	STOCK PURCHASE	100,000	100,000	100,000

Plasma torch sales form is subject to change without notice. All selections must be complete and correct. All selections must be made by the time of signing and the balance of the order. Terms of sale are 30 days net. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SALESMAN IS PART OF THE PURCHASE AGREEMENT.

1. 在“ ”处填上适当的词语，使句子完整。

VENDOR: ~~XXXX~~ GROUP 7000 4 000000
 PURCHASE: Incl. Acctg. Tot 2 000000
 DATE: 01/01/93

90.69
 x _____
 90.69

KHOV033890

XXX

FLORIDIAN FURNITURE & HOMEWARES CORP. INC.

D.S. No. : 04-22-41

MODEL : 10 - BUILT IN KITCHEN, HEIGHTS 111 EYE

Printed: 14-DEC-1983

BUILDING NO. UNIT: #1
MODEL : 101300 8 1/2

AAA DELIVERY, INSTALLATION, FINISHES & UPGRADES AAA

ORDER : MARSHALL

COMPACT DATE: 10-1-1983

SELECTION NO.	DESCRIPTION	MODEL	SIZE	COLOR	QUANTITY	PRICE
01---APPLIANCES---						
MS001	DISHWASHER	1ST LEVEL 1 CYCLE	600.00	ALMOND	ALMOND	34.00
MS002	RANGE HOOD	STANDARD RANG. HOOD	24"X24"	ALMOND	ALMOND	0.00
MS003	RANGE	STANDARD RANGE	48"X24"X36"	ALMOND	ALMOND	0.00
02---CABINETS---						
MS001	KITCHEN CABINETS	NATURAL LITE				501.00
MS002	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4821-8	WHITE NEPULA	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	AMERICA	40	60.00 SY	8/49	DIAMOND DUST
						FLC0101A03
Zone: 02	1ST FLOOR STAIRS - ALL					
	CARPETING	AMERICA	73.00 SY	6749	DIAMOND DUST	FLC0102A03
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	STANSTAR	17.67 SY	64615		FLC0103112
Package includes UPGRADE Padding in carpeted area.						
MS001	-FLOORING PACKAGES -- STANDARD LAYDOWN					1032.97
04---SELECTIONS: INTERIOR---						
MS001	FOLDING DOORS	UP, LEFT SID BIFOLD	110 BIFOLD	3'6"		1.00
MS002	FOLDING DOORS	DN, RIGHT SID BIFOLD	110 BIFOLD	3'6"		0.00
MS003	SLIDER DOORS	UP, 1/2 SID SLIDER	210 SLIDER	4'6"		0.00
MS004	SLIDER DOORS	MSZR BR 11-01 215	210 SLIDER	3'6"		150.00

Please check this form for correct descriptions, including color, model numbers & details. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: X Barbara Marshall
PURCHASER: _____
DATE: 12-14-83
SALES REP: [Signature]
SALES MGR: [Signature]
CONST. REP: _____

GRAND TOTAL 4 1032.97
Incl. Mortg. Sal 4 1032.97
AMOUNT DUE NOW 1 90.69
AMOUNT PAID NOW 1 90.69
AMOUNT DUE AT CLOSE 4 1032.97

90.69
X Barbara Marshall

KHOV033891

S U M M A R Y O F B A S I C P R O V I S I O N S
=====

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): GAETANA MARSHALL (u) of 265 PROSPECT PL.
Tel: Res: (718) 622-5603 BROOKLYN
Bus: (212) 941-5105 NY ,11238.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.01
BLDG NO.: 22 , UNIT NO: A1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 12-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 12-DEC-1993
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 11-JAN-1994
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK

Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$105,200.00 MORTGAGE CONTINGENCY DATE: 10-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-VEAR

=====

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

X Sacana Marshall 12/14/93
(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

18 THIS CONTRACT WILL SUPERSEED AND TERMINATE THE PREVIOUS CONTRACT FOR 22A1, DATED 12-12-93.

KHOV033905



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N./A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges required by mortgagee.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and at the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. **TITLE**—Seller agrees to deliver a Bargain and Sale Deed with Covenant As To Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months of the annual maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within ten (10) business days of Seller's receipt of Buyer's notice of cancellation. When the Buyer has received this paragraph 14. When the buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE—LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's

rights under the Warranty Act. Claims relating to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted within three (3) days prior to closing. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk-through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the State of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment, containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For the purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentation as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in writing on or before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE

KHOV033908

MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn, cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. INSULATION—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the Insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; R-5/rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 89 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller review and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproved of this contract, the attorney must notify the Broker(s) and the other party named in this contract within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's office. The attorney should also inform the Broker(s) of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced herein (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

Buyer: X Laetana Marshall

this 14 day of Dec, 1993

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Laetana Marshall 12/14/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

KHOV033909

DATE

BY:

WAYNE J. SOOJIAN

DATE

DIRECTOR OF MARKETING & SALES

SUMMARY OF BASIC PROVISIONS

1015

The SELLER: K.HOVNANTAN @NEWARK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701

The BUYER(S): CAETANA MARSHALL (M) of 265 PROSPECT PL.
Tel: Res: (718) 622 5603 BROOKLYN
Bus: (212) 941 5105 NY 11238

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 22.01
BLDG NO.: 22 UNIT NO: A1 MODEL: STH1330-G LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE OF MODEL \$103,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 12-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 12-DEC-1993
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 11-JAN-1994
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK
Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$105,200.00 MORTGAGE CONTINGENCY DATE: 10-FEB 1994
Estimated COMPLETION DATE: 15-FEB 1994
DY-MON YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

X Caetana Marshall 12/14/93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

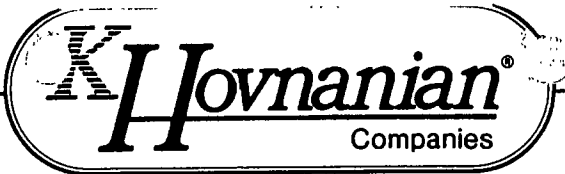
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

THIS CONTRACT WILL SUPERSEED AND TERMINATE THE PREVIOUS CONTRACT FOR 22A1, DATED 12-12-93.

KHOV033914



SUMMARY OF BASIC PROVISIONS

The SELLER:

K. Hovnanian at
Newark Urban Renewal
Corporation III, Inc.

Located at:

10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

Telephone: (201) 747-7800

The BUYER(S):

Gaetana Marshall of

265 Prospect Pl.
Brooklyn
NY 11238

(718)-622-5603 (212) 941-5105 ZIP
Telephone: _____ Res. _____ Work _____

_____ of _____

Telephone: _____ Res. _____ Work _____

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title.

The PROPERTY: PROJECT : Society Hill at University Heights III, (13th Ave. & Richmond St.) Newark, NJ

BLDG. NO.: 22, UNIT NO.: A1, MODEL: 1330 G

THE PURCHASE PRICE: \$103,950.00

Consisting of:
BASE PRICE of MODEL: \$103,950.00
and Premiums:

\$ _____
\$ _____
\$ _____
\$ _____

The PAYMENT TERMS: INITIAL DEPOSIT \$ 00.00 ON DATE 1 / 19
ON SIGNING CONTRACT \$ 1,000.00 BY DATE 12 / 12 19 93
ADDITIONAL DEPOSIT \$ 2,638.25 BY DATE 1 / 12 19 94
and the BALANCE of \$ 100,311.75 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$103,950.00

MORTGAGE AMOUNT: \$105,200.00 MORTGAGE CONTINGENCY DATE 1-22 19 94
ESTIMATED COMPLETION DATE 02-15 19 94
MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X Gaetana Marshall 12/12/93
(BUYER) DATE

K. Hovnanian at Newark Urban
Renewal Corporation III, Inc.

(BUYER) DATE

(BUYER) DATE

SELLER DATE

(BUYER) DATE

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.
OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON
WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY
REFUNDED IN THEIR ENTIRETY.

X Gaetana Marshall 12/12/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: _____
WAYNE SOOJIAN, _____
DIRECTOR OF MARKETING AND SALES DATE

KHOV033916



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG./UNIT NO: 22A1 MODEL NO: 13306

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12-12, 1993
I/We personally received from the Sales Office at Society Hill at
University Heights III, the Public Offering Statement* ("POS PACKAGE") and
the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

X Sandra Marshall 12/12/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033918

SUMMARY OF BASIC PROVISIONS

The SELLER:

K. Hovnanian at
Newark Urban Renewal
Corporation III, Inc.

Located at:

10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

The BUYER(S):

Gaetana Marshall of

Telephone: (201) 747-7800

265 Prospect Pl.

Brooklyn

NY

11238

Telephone: (718)-622-5603 (212) 941-5105 ZIP
Res. Work

BUYER(S) (WILL) (WILL NOT) occupy the Premises

The PROPERTY: PROJECT : Society Hill at Univers

BLDG. NO.: 22 UNIT

THE PURCHASE PRICE: \$ 103,950

Consisting of:
BASE PRICE of MODEL
and Premiums:

The PAYMENT TERMS:

INITIAL DEPOSIT

ON SIGNING CONTRACT \$ 1,000.00 BY DATE 12/12/93

ADDITIONAL DEPOSIT \$ 2,638.25 BY DATE 1/12/94

and the BALANCE of \$ 100,311.75 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$ 103,950.00

MORTGAGE AMOUNT: \$ 105,200.00

MORTGAGE CONTINGENCY DATE 1-22 19 94

ESTIMATED COMPLETION DATE 02-15 19 94

MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X Gaetana Marshall 12/12/93
(BUYER) DATE

K. Hovnanian at Newark Urban
Renewal Corporation III, Inc.

(BUYER) DATE

(BUYER) DATE

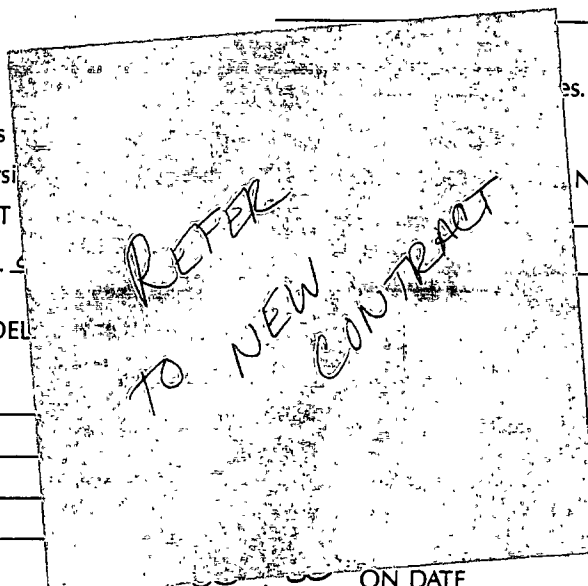
SELLER

DATE

(BUYER)

DATE

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.





TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1993

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 12 day of Dec., 1993.

Buyer: X Suelana Marshall

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Suelana Marshall 12/2/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 12-13-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV033924



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH J. HANLEY

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Mar. 27, 1993.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 12 day of Dec, 1993.

Buyer:

Saetana Marshall

Buyer:

Joseph J. Hanley

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Saetana Marshall 12/12/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY:

Wayne Soojian 12/13/93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

SUMMARY OF BASIC PROVISIONS

The SELLER:

K. Hovnanian at
Newark Urban Renewal
Corporation III, Inc.

Located at:

10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

The BUYER(S):

Gaetana Marshall of

Telephone: (201) 747-7800

265 Prospect Pl.

Brooklyn

NY

11238

(718)-622-5603 (212) 941-5105 ZIP

Telephone: _____ Res. _____ Work _____

_____ of _____

ZIP

Telephone: _____ Res. _____ Work _____

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title.

The PROPERTY: PROJECT : Society Hill at University Heights III, (13th Ave. & Richmond St.) Newark, NJ

BLDG. NO.: 22, UNIT NO.: A1, MODEL: 1330 G

THE PURCHASE PRICE: \$ 103,950 . 00

Consisting of:

BASE PRICE of MODEL: \$ 103,950 . 00

and Premiums:

_____ \$ _____ . _____

_____ \$ _____ . _____

_____ \$ _____ . _____

_____ \$ _____ . _____

The PAYMENT TERMS:

INITIAL DEPOSIT \$ _____ . 00 ON DATE _____ / _____ 19 _____

ON SIGNING CONTRACT \$ 1,000 . 00 BY DATE 12 / 12 19 93

ADDITIONAL DEPOSIT \$ 2,638 . 25 BY DATE 1 / 12 19 94

and the BALANCE of \$ 100,311 . 75 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$ 103,950 . 00

MORTGAGE AMOUNT:

\$ 105,200 . 00

MORTGAGE CONTINGENCY DATE 1-22 19 94

ESTIMATED COMPLETION DATE 02-15 19 94

MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

Gaetana Marshall 12/2/93
(BUYER)

DATE

K. Hovnanian at Newark Urban
Renewal Corporation III, Inc.

(BUYER)

DATE

(BUYER)

DATE

SELLER

DATE

(BUYER)

DATE

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.



SUMMARY OF BASIC PROVISIONS

The SELLER:

K. Hovnanian at
Newark Urban Renewal
Corporation III, Inc.

Located at:

10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

Telephone: (201) 747-7800

The BUYER(S):

Gaetana Marshall of

265 Prospect Pl.

Brooklyn

NY

11238

(718)-622-5603 (212) 941-5105 ZIP

Telephone: _____ Res. _____ Work _____

_____ of _____

ZIP

Telephone: _____ Res. _____ Work _____

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title.

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MONTH DAY YEAR

PURCHASE AGREEMENT

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X Gaetana Marshall 12/12/93
(BUYER) DATE

K. Hovnanian at Newark Urban
Renewal Corporation III, Inc.

(BUYER) DATE

(BUYER) DATE

KHOV033930

SELLER

DATE

(BUYER)

DATE

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1993

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 12 day of Dec, 1993.

Buyer:

X Dakota Marshall

Joseph J. Hanley

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Dakota Marshall 12/12/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

12-13-93

KHOV033934



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to, change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1993

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 12 day of Dec, 1993

Buyer: X Sakana Marshall

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Sakana Marshall 12/12/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 12-13-93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV033939

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: A2

The Purchase Agreement between Joanne F. Toler BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 10/31/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 121,250.72
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,637.52
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,613.20
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 115,188.18
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 120,090.92.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/5/93
DATE

Joanne F. Toler
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Scojian
WAYNE SCOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033942

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

ar

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Jeanne L. Toler

_____, BUYER

UNIT A2, BUILDING 22, PURCHASE AGREEMENT DATE 12/31/93

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO
MAKE APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K.
HOVNIANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSSES ON THE SAID
MORTGAGE AND CLOSSES TITLE TO THE PREMISES (AS DEFINED IN THE
PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE
CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO
AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED
TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT
OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE,
THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS
THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE
DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE
INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN
WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE
OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE
INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE
DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER
WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE
UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER
COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN
AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS
(\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE
AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Jeanne L. Toler
BUYER

12/5/93
DATE

BUYER

DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: Wayne Soojian

WAYNE SOOJIAN
DIRECTOR OF SALES AND MARKETING

KHOV033943

2019-2020

Printed: 95-DEC-1992

NAME: [REDACTED] DOB: [REDACTED]
 SSN: [REDACTED]

*ALTERNATE SOLUTIONS, OPTIONS & COMMENTS *

DATE: 1968

COPIES PAID: 37-264-1795

SUBJECT OR NO	PERSON INFORMATION	DATE	FILE	COUNTY	COMMENTS	PRI

Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45	Q46	Q47	Q48	Q49	Q50	Q51	Q52	Q53	Q54	Q55	Q56	Q57	Q58	Q59	Q60	Q61	Q62	Q63	Q64	Q65	Q66	Q67	Q68	Q69	Q70	Q71	Q72	Q73	Q74	Q75	Q76	Q77	Q78	Q79	Q80	Q81	Q82	Q83	Q84	Q85	Q86	Q87	Q88	Q89	Q90	Q91	Q92	Q93	Q94	Q95	Q96	Q97	Q98	Q99	Q100
01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94						

02---CABINETS-----				
KNH03	KITCHEN CABINETS	WHITE WALL		1975.00 3
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	8" x	DESIGNER WHITE 0.00 1

03-----FLOORING-----							
Zone:	2ND FLOOR						
	CARPETING	458114	45	61.37	11	6360	CREAMY BEIGE POLYOLAC
Zone: 02	1ST FLOOR STAIRWAY						
	CARPETING	458114	45	61.37	11	6360	CREAMY BEIGE POLYOLAC
Zone: 03	KITCHEN/ENTRY						
	UNGLUED-FLUTING	458114	45	17	54	91304	POLYOLAC

Package includes UPRAGE Paddling in carpeted areas

0001 SUBSISTING PARAGRAPHS - STAFF OF LAYOUT 2224.7

[illegible]

37.

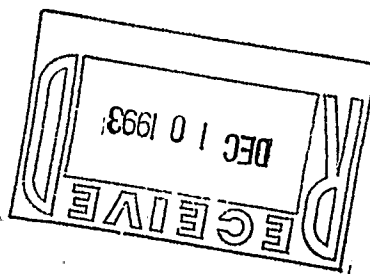
Please check this form for correct descriptions, including color, model numbers & details. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: James J. Tolson
 PURCHASER: _____
 DATE: 12/5/93

GRAND TOTAL	11909.72
Incl. 70% to Sel	19140.73

SALES REP: *Sgt. Weiss*
SALES REP: *W. J. Raben* 12-9-93
CONST. REP: *W. J. Raben* 12-16-93

ACCOUNT DUE FROM	:	333.02
ACCOUNT PAID TO	:	333.02
BALANCE	:	1034.75



KHOV033944

PROJECT : 10 - SOCIETY HILL @ UNIV. HEIGHTS III EAC

Printed: 03-DEC-1993

BUDG NO: 22 UNIT: A2

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : TOLER

MODEL : 5TH1330-U >UP

CONTRACT DATE: 31-oct-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01-----APPLIANCES-----						
ADK01	WASTE DISPOSAL	DISPOSAL	6EC29W			130.00 CH
ADK02	DISHWASHER	UPGRADE 4 CYCLE	6SD940	BLACK BLACK		485.00 CH
AFX06	REFRIGERATOR	SXS 21.7 CF 33.5"	TEX22ZA	21.7 CF	WHITE/BLA WHITE W/ BLACK	1160.00
AMX01	MICROWAVE OVEN	OVER-RANGE (NON-VENT)	JWH131	BLACK BLACK		505.00 CH
ARU01	RANGE	UPGRADE SELF CLEAN	JGRP24GE	WHITE WHITE		560.00 CH
02-----CABINETS-----						
KCU03	KITCHEN CABINETS	WHITE HILL				1075.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		D354-6	DESIGNER WHITE	0.00 CH
03-----FLOORING-----						
Zone: 01	2ND FLOOR					
	CARPETING	AMBRIA	46	61.67 SY	6900 CREAMY BEIGE	ECC0101A03
Zone: 02	1ST FLOOR STAIR/HALL					
	CARPETING	AMBRIA	46	85.67 SY	6900 CREAMY BEIGE	ECC0102A03
Zone: 03	KITCHEN/ENTRY					
	LINOLEUM FLOORING	DESIGNER		17.67 SY	89264	ELC0103A03
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES - STANDARD LAYOUT					2305.72 CH
04-----SELECTIONS: INTERIOR-----						
HPX02	FIREPLACE	GAS BURNING FIREPLC	CORNEN TV			4200.00 CH
MBU01	BIFOLD DOORS	DR, LEFT HI-BIFOLD	HI-BIFOLD	3'0"		290.00 CH
MBU02	BIFOLD DOORS	DR, RIGHT HI-BIFOLD	HI-BIFOLD	3'0"		200.00 CH
MSU01	SLIDER DOORS	MSR BR HI-SLIDER	HI-SLIDER	3'0"		150.00 CH
MSU02	SLIDER DOORS	BR #2 HI-SLIDER	HI-SLIDER	3'0"		175.00 CH
MSU03	SLIDER DOORS	BR #3 HI-SLIDER	HI-SLIDER	4'0"		175.00 CH

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *James Toler*

GRAND TOTAL \$ 11300.72

PURCHASER :

Incl. Mortg. Sel \$ 10140.72

DATE :

12/5/93

AMOUNT DUE NOW \$ 339.02

SALES REP :

Jim Wingo

AMOUNT PAID NOW \$ 339.02 "CR"

SALES MGR :

W. Kaban 12-9-93

CONST. MGR :

12-16-93

AMOUNT DUE AT CLOS \$ 10961.70

KHOV033945

PROJECT : 10 - SOCIETY HILL 2 UNIV. HEIGHTS III ETC

Printed: 05-DEC-1993

BLDG NO: 12 UNIV: A3

** DECORATIVE SELECTIONS, OPTIONS & UPGRADES **

BUYER : TULTE

MODEL : SH1000-B UP

CONTRACT DATE: 31-out-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
Q1----	APPL. FINISH					
AWX01	WASTE DISPOSAL	DISPOSAL	WASTE			130.00 CH
AWX02	DISHWASHER	UPGRADE 4 CYCLE	BS0090	BLACK	BLACK	365.00 CH
AWX06	REFRIGERATOR	5X5 21.7 CF 32.5"	TX222A	21.7 CF	WHITE/BLA WHITE W/ BLACK	1100.00
AWX01	MICROWAVE OVEN	OVER RANGE (NOV-DEPT	JWA131	BLACK	BLACK	505.00 CH
AWX01	RANGE	UPGRADE SELF CLEAN	JWB234GE	WHITE	WHITE	560.00 CH

Q2----CABINETS

K1003	KITCHEN CABINETS	WHITE HILL				1075.00 CH
ETS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		DESIGNER WHITE		0.00 CH

Q3----FLOORING

Zone: 01	2ND FLOOR					
	CARPETING	AMERICA	40	61.67 SQ	0990	CREAMY BEIGE F000101A03
Zone: 02	1ST FLOOR STAIR/HALL					
	CARPETING	AMERICA	40	80.07 SQ	0990	CREAMY BEIGE F000102A03
Zone: 03	KITCHEN/BATH					
	LINOLEUM FLOORING	UNDESIGNER		17.07 SQ	87304	F000103A03

Package includes UPGRADE Padding in carpeted areas

MS001	ELECTRICAL PACKAGES -- STANDARD LAYOUT					2305.72 CH
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Q4----SELECTIONS: INTERIOR

MSY02	PIPELASH	435 BURNING PIPELASH	CORNER TO			4200.00 CH
MS001	BI-FOLD DOORS	OR, LEFT HI-BIFOLD	HI-BIFOLD	3'0"		200.00 CH
MS002	BI-FOLD DOORS	OR, RIGHT HI-BIFOLD	HI-BIFOLD	3'0"		200.00 CH
MS001	SLIDER DOORS	MSR BK HI-SLIDER	HI-SLIDER	3'0"		150.00 CH
MS002	SLIDER DOORS	OR #2 HI-SLIDER	HI-SLIDER	4'0"		175.00 CH
MS003	SLIDER DOORS	OR #3 HI-SLIDER	HI-SLIDER	4'0"		175.00 CH

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *James Jelen*
 PURCHASER :
 DATE : *12/5/93*

GRAND TOTAL \$ 11300.72
 Incl. Pertg. Sel \$ 10140.72

SALES REP : *Jim Wump*
 SALES REP : *Cliff Kaban 12 9 93*
 COMST. REP : *12-16-93*

AMOUNT DUE NOW \$ 339.02
 AMOUNT PAID NOW \$ 339.02 "00"
 AMOUNT DUE AT CLOS \$ 10901.70

KHOV033946

ORDER : FULL
CONTENT PAGE: 4-641 1000

42-1643

KHOV033947

RESIDENTIAL SELLER'S DISCLOSURE FORM
 PART I: GENERAL INFORMATION

Printed: 07/05/93

DATE: 07/05/93
 MODEL: 1000000000

FOR SELLER'S SELECTIONS, OPTIONS & UPGRADES SEE

BOOK: 100000

EXPIRATION DATE: 01/01/94

SECTION 1: DESCRIPTION OF PROPERTY

QTY	DESCRIPTION	UNIT	PRICE
01	BASE CLOSET	STANDARD	100.00
02	DISHWASHER	STANDARD	450.00
03	REFRIGERATOR	STANDARD	1100.00
04	STOVE	STANDARD	500.00
05	BATH	STANDARD	500.00

06	KITCHEN CABINETS	STANDARD	1000.00
07	KITCHEN COUNTERTOPS	STANDARD	500.00

08	1ST FLOOR STAIRS	STANDARD	1000.00
09	2ND FLOOR STAIRS	STANDARD	1000.00
10	3RD FLOOR STAIRS	STANDARD	1000.00

Package includes: 1000000000

11	1000000000	1000.00
----	------------	---------

12	1000000000	1000.00
13	1000000000	1000.00
14	1000000000	1000.00
15	1000000000	1000.00
16	1000000000	1000.00

5%

Please check this form for correct descriptions, including color, model numbers & details. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SALE IS PART OF THE PURCHASE AGREEMENT.

BUYER:	John Doe	GRAND TOTAL	10000.00
SELLER:	John Doe	Inc. 1000.00	11000.00
DATE:	07/05/93	GRAND TOTAL	10000.00
SALES REP:	John Doe	GRAND TOTAL	10000.00
SALES REP:	John Doe	GRAND TOTAL	10000.00
SALES REP:	John Doe	GRAND TOTAL	10000.00

KHOV033948

DATE: JUL 11 1964
PAGE: 11-11-1964

[illegible]

Account	Description	Debit	Credit	Balance
1001	CASH			100.00
1002	BANK OF AMERICA			100.00
1003	AMERICAN SAVINGS			100.00
1004	WELLS FARGO			100.00
1005	CHASE			100.00
1006	CITIBANK			100.00
1007	TD BANK			100.00
1008	PNC			100.00
1009	USAA			100.00
1010	ROYAL BANK			100.00
1011	SCOTIABANK			100.00
1012	INTERAC			100.00
1013	HSBC			100.00
1014	BARCLAYS			100.00
1015	DEUTSCHE			100.00
1016	ING			100.00
1017	BNP			100.00
1018	SPAIN			100.00
1019	ITALY			100.00
1020	FRANCE			100.00
1021	GERMANY			100.00
1022	NETHERLANDS			100.00
1023	SWITZERLAND			100.00
1024	AUSTRIA			100.00
1025	PORTUGAL			100.00
1026	GREECE			100.00
1027	SPAIN			100.00
1028	ITALY			100.00
1029	FRANCE			100.00
1030	GERMANY			100.00
1031	NETHERLANDS			100.00
1032	SWITZERLAND			100.00
1033	AUSTRIA			100.00
1034	PORTUGAL			100.00
1035	GREECE			100.00
1036	SPAIN			100.00
1037	ITALY			100.00
1038	FRANCE			100.00
1039	GERMANY			100.00
1040	NETHERLANDS			100.00
1041	SWITZERLAND			100.00
1042	AUSTRIA			100.00
1043	PORTUGAL			100.00
1044	GREECE			100.00
1045	SPAIN			100.00
1046	ITALY			100.00
1047	FRANCE			100.00
1048	GERMANY			100.00
1049	NETHERLANDS			100.00
1050	SWITZERLAND			100.00
1051	AUSTRIA			100.00
1052	PORTUGAL			100.00
1053	GREECE			100.00
1054	SPAIN			100.00
1055	ITALY			100.00
1056	FRANCE			100.00
1057	GERMANY			100.00
1058	NETHERLANDS			100.00
1059	SWITZERLAND			100.00
1060	AUSTRIA			100.00
1061	PORTUGAL			100.00
1062	GREECE			100.00
1063	SPAIN			100.00
1064	ITALY			100.00
1065	FRANCE			100.00
1066	GERMANY			100.00
1067	NETHERLANDS			100.00
1068	SWITZERLAND			100.00
1069	AUSTRIA			100.00
1070	PORTUGAL			100.00
1071	GREECE			100.00
1072	SPAIN			100.00
1073	ITALY			100.00
1074	FRANCE			100.00
1075	GERMANY			100.00
1076	NETHERLANDS			100.00
1077	SWITZERLAND			100.00
1078	AUSTRIA			100.00
1079	PORTUGAL			100.00
1080	GREECE			100.00
1081	SPAIN			100.00
1082	ITALY			100.00
1083	FRANCE			100.00
1084	GERMANY			100.00
1085	NETHERLANDS			

14983	FLICKER CARPENTER	WHITE BELL	1974-75
14989	WHITE BELL CARPENTER	FLICKER CARPENTER	1974-75

Long: 61 300 11009

Serial # 157-FLOR STATE POLICE
LABORATORY KANSAS DATE 8-1-06 BY SP-5 JAC/MLB (FBI#390)

Phone: 603-888-2275 FAX: 603-888-2276
E-mail: info@hudsonvalley.org

1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 26

Model	Configuration	Price	Availability
Model A	Configuration A	1200.00	In Stock
Model B	Configuration B	1500.00	Low Stock
Model C	Configuration C	1800.00	Out of Stock
Model D	Configuration D	2100.00	Low Stock
Model E	Configuration E	2400.00	Out of Stock
Model F	Configuration F	2700.00	Low Stock
Model G	Configuration G	3000.00	Out of Stock
Model H	Configuration H	3300.00	Low Stock
Model I	Configuration I	3600.00	Out of Stock
Model J	Configuration J	3900.00	Low Stock

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and will be considered final. Options and upgrades will be paid for with a minimum of \$100.00 signing and the balance at closing. Taxes may vary if options are increased. Seller reserves the right to substitute material, and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

Grain Total	3	11300.72
Incl. carts. See 1		10140.72

AMOUNT DUE	189.00
AMOUNT PAID	289.00

000099 DocId:3486 Page 7

PROJECT : 10 - 2011-11 HILL C UNIT, HEIGHTS III EAC

Printed: 01-030-1992

SOLD BY : UNIT: 02

K+ INFORMATION SELECTIONS, OPTIONS & UPGRADES ***

-TYPE : TOLSE

MODEL : 701230-0 SUP

CONTRACT PAID: 31-001-1993

SELECTION	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPL. TILES						
AM001	WHITE DISPOSAL	D35F03AL	48025P			130.00
AM002	DISHWASHER	UPGRADE 4 CYCLE	850000	BLACK	BLACK	465.00
AM003	REFRIGERATOR	5X8 31.7 CF 34.5"	17X232A	31.7 CF	UNIT/BLA WHITE W/ BLAC	1160.00
AM004	MICROWAVE OVEN	OVER RANGE (NON-VENT)	30H123	BLACK	BLACK	305.00
AM005	FLOOR	UPGRADE 56X5 CLEAN	315.345E	WHITE	WHITE	560.00

02---CABINETS						
KC003	KITCHEN CABINETS	WHITE HILL				1375.00
KISC0	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		D254-6	DESIGNER WHITE	6.00

03---FLOORING						
Zone: 01 2ND FLOOR						
CARPETING	AM001A	46	61.67 SY	6900	CREAMY BEIGE	ELC0103A03
Zone: 02 1ST FLOOR STAIR/HALL						
CARPETING	AM001A	46	33.67 SY	6900	CREAMY BEIGE	ELC0103A03
Zone: 03 KITCHEN/ENTRY						
LINOLEUM FLOORING	DESIGNER		17.07 SY	83354		ELC0103A03

Package includes UPGRADE Padding in carpeted areas

AM001	FLOORING PACKAGES -- STANDARD LAYOUT					2400.72
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04---SELECTIONS: INTERIOR--						
MS002	FIREPLACE	740 BURNING FIREPLACE	CORNER TV			4200.00
MS001	PIFOLD DOORS	BR, LEFT HI-PIFOLD	HI-PIFOLD	3'0"		200.00
MS002	PIFOLD DOORS	BR, RIGHT HI-PIFOLD	HI-PIFOLD	3'0"		200.00
MS001	SLIDER DOORS	MSIR BR HI-SLIDER	HI-SLIDER	3'0"		150.00
MS002	SLIDER DOORS	BR 42 HI-SLIDER	HI-SLIDER	4'0"		175.00
MS003	SLIDER DOORS	BR 43 HI-SLIDER	HI-SLIDER	4'0"		175.00

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: James Jolen
 PURCHASER: James Jolen
 DATE: 12/5/93

GRAND TOTAL \$ 11300.72
 Incl. Mortg. Sel \$ 10140.72

SALES REP: Jim Weiss
 SALES REP: Wish Raben 12-9-93
 CONST. DATE: 12-9-93

AMOUNT DUE NOW \$ 339.02
 AMOUNT PAID NOW \$ 339.02
 AMOUNT DUE AT CLOS \$ 10761.70

KH0V033950

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JOANNE L TOLER (u) of 1691 EAST 174TH STREET/APT 8D
Tel: Res: (718) 589-1796 BRONX
Bus: (212) 460-3902 NY ,10472.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.02
BLDG NO.: 22 , UNIT NO: A2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 31-OCT-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 31-OCT-1993
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 30-NOV-1993
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 30-DEC-1993
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV033977

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse: any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 31st day of October, 1993.

Buyer: *Joanne Zoler*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Joanne Zoler 10/31/93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Wayne Soojian 11/1/93
BY: WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV033981

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN ON NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JOANNE L TOELER (u) of 1691 EAST 174TH STREET/APT 8B
Tel: Res: (718) 589-1796 BRONX
Bus: (212) 460-7902 NY , 10472.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 22.02
BLDG NO: 22 , UNIT NO: A2 , MODEL: STH330-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE OF MODEL \$109,950.00

88 CALLAHAN CT.

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 31 OCT 1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 31 OCT 1993
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 30 NOV 1993
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 30 DEC 1993
Estimated COMPLETION DATE: 15 FEB 1994
BY MONTH YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

Joanne Toeler 10/31/93
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landacama, Inc
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV033985



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Mr. Taler*

BLDG./UNIT NO: *22A2*

MODEL NO: *1300*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *10/31*, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

James Taler *10/31/93*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV033986

AMENDMENT TO PURCHASE AGREEMENTBuilding No.: 22Unit No.: E1The Purchase Agreement between Patricia Murphy BUYER(S)

BUYER(S)and K. HOVNANIAN AT NEWARK III, INC. SELLERis amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 12-4-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,914.07
2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3,027.42
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 97,886.65
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 97,900.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 99,479.07
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

1-11-94
DATE

BUYER

BUYER

BUYER

SELLER CORPORATION

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033991

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: 61

The Purchase Agreement between Patricia Murphy BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-4-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,914.07
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,118.92
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 99,795.15
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 97,950.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 99,479.07
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-22-93
DATE

Patricia Murphy
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV033993

XXX

R. HOUNANIAN BENCHMARK-URS RENEWAL CORP III

D.S.No : IW-22-B1

PROJECT : IW - SOCIETY HALL @ UNIV. HEIGHTS III EEC

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: B1
MODEL : STM150-S >LO

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : MURPHY
CONTRACT DATE: 05-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01-----APPLIANCES-----						
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	WHITE	WHITE	340.00 <M
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18DAS	WHITE	WHITE	620.00
ANS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00 <M
ARS00	RANGE	STANDARD RANSE	JGBC15GE	WHITE	WHITE	0.00 <M
AWX01	WASHER	WASHER LARGE CAPACIT	WVA5609	WHITE	WHITE	470.00
AYX01	DRYER	DRYER 4 CYCLE	XIRDG5888	WHITE	WHITE	345.00
02-----CABINETS-----						
KU001	KITCHEN CABINETS	NATURAL LITE				675.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4628-8	SAND NEBULA	0.00 <M
03-----FLOORING-----						
Zone: 01 2ND FLOOR						
	CARPETING	AMBRIA	46	39.33 SY	6869 ALMOND FROST	ECC0101A03
Zone: 02 1ST FLOOR STAIRS/HALL						
	CARPETING	AMBRIA	46	63 SY	6869 ALMOND FROST	ECC0102A03
Zone: 03 KITCHEN						
	LINOLEUM FLOORING	CANBRAY	19 SY	68441		FLC0103A00
Package includes: UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					1514.07 <M
04-----SELECTIONS: INTERIOR-----						
MBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 <M
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 <M
MBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 <M
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 <M
MBS04	BIFOLD DOORS	LIVING ROOM CLOSET	STD BIFOLD	3'0"		0.00 <M
MBS05	BIFOLD DOORS	2ND FLOOR LINEN	STD BIFOLD	3'0"		0.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *x Patricia Murphy*
PURCHASER :
DATE : *x 12-22-93*
SALES REP : *x Stanley*
SALES MGR : *x 12-22-93*
CONST. MGR : *x 1-2-94*

DEC 23 1993

GRAND TOTAL \$ 3964.07
Incl. Mortg. Sel \$ 2529.07
AMOUNT DUE NOW \$ 118.92
AMOUNT PAID NOW \$ 118.92 "CK"
AMOUNT DUE AT CLOS \$ 3845.15

KHOV033994

XXZ

K. HOVNANIAN BENCHMARK-URB RENEWAL CORP III

D.S. No: IM-22-B1

PROJECT: IM - SOCIETY HILL @ UNIV. HEIGHTS III-E2C

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: B1
MODEL: STM1150-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER: MURPHY
CONTRACT DATE: 05-dec-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01-----APPLIANCES-----						
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	0SD500	WHITE	WHITE	340.00 <M
AFX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18DAS	WHITE	WHITE	620.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00 <M
AWX01	WASHER	WASHER LARGE CAPACIT	WMA5669	WHITE	WHITE	470.00
AYX01	DRYER	DRYER 4 CYCLE	XTRDDG5888	WHITE	WHITE	345.00
02-----CABINETS-----						
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4628-B	SAND NEBULA	0.00 <M
03-----FLOORING-----						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	39.33 SY	6869 ALMOND FROST	ECC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	63 SY	6869 ALMOND FROST	ECC0102A03
Zone: 03	KITCHEN LINOLEUM FLOORING	CAMBRY		19 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					1514.07 <M
04-----SELECTIONS: INTERIOR-----						
MBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 <M
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 <M
MBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 <M
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 <M
MBS04	BIFOLD DOORS	LIVING ROOM CLOSET	SIDBIFOLD	3'0"		0.00 <M
MBS05	BIFOLD DOORS	2ND FLOOR LINEN	STOBIFOLD	3'0"		0.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *x Patricia Murphy*
PURCHASER: _____
DATE: *12-22-93*

GRAND TOTAL \$ 3964.07
Incl. Mortg. Sel \$ 2529.07

SALES REP: *A. Stanley*
SALES MGR: *W. B. Baker* 12-22-93
CONST. MGR: *12-3-94*

118.92
x Patricia Murphy
AMOUNT DUE NOW \$ 118.92
AMOUNT PAID NOW \$ 118.92 "CK"
AMOUNT DUE AT CLOS \$ 3845.15

KHOV033995

ZZZ

K. HOVNANIAN BENCHMARK-URP RENEWAL CORP III

U.S. No : 1W-22-B1

PROJECT : 1W - SOCIETY HILL @ UNIV. HEIGHTS III-ERC

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: 81
MODEL : STM150-G >LO

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : MURPHY

CONTRACT DATE: 05-DEC-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADK01	DISHWASHER	1ST LEVEL 3 CYCLE	QSD500	WHITE	WHITE	340.00 <H
AFX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18DAS	WHITE	WHITE	620.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JMS22	WHITE	WHITE	0.00 <H
ARS00	RANGE	STANDARD RANGE	JGBC150E	WHITE	WHITE	0.00 <H
AWX01	WASHER	WASHER LARGE CAPACIT	UWA5669	WHITE	WHITE	470.00
AYX01	DRYER	DRYER 4 CYCLE	XIRDG5888	WHITE	WHITE	345.00
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00 <H
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4628-8	SAND NEBULA	0.00 <H
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	AMBRIA	46	39.33 SY	6869 ALMOND FROST	ECC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	AMBRIA	46	63 SY	6869 ALMOND FROST	ECC0102A03
Zone: 03	KITCHEN					
	LINOLEUM FLOORING	CAMBRAY		19 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					1514.07 <H
04---SELECTIONS: INTERIOR---						
MBS00	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 <H
MBS01	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 <H
MBS02	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 <H
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 <H
MBS04	BIFOLD DOORS	LIVING ROOM CLOSET	STD BIFOLD	3'0"		0.00 <H
MBS05	BIFOLD DOORS	2ND FLOOR LINEN	STD BIFOLD	3'0"		0.00 <H

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *X Patrick Murphy*
PURCHASER :
DATE : *12-22-93*

GRAND TOTAL \$ 3964.07
Incl. Mortg. Sel \$ 2529.07

SALES REP : *J. Hanley*
SALES MGR : *12-22-93*
CONST. MGR : *1-3-94*

AMOUNT DUE NOW \$ 118.92
AMOUNT PAID NOW \$ 118.92 "CK"
AMOUNT DUE AT CLOS \$ 3845.15

KH0V033996

BLDG NO: 22 UNIT: 01
MODEL : 57H1150-6 XLO

AAA DECORATIVE SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : MURPHY
CONTRACT DATE: 05-DEC-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADK01	DISHWASHER	1ST LEVEL 3 CYCLE	QSD500	WHITE	WHITE	340.00 CH
AEX01	REFRIGERATOR	18.2 CF REFRIGERATOR	FDX1804S	WHITE	WHITE	620.00
AHS00	RANGE HOOD	STANDARD RANGE HOOD	JR322	WHITE	WHITE	0.00 CH
AES00	RANGE	STANDARD RANGE	JGEC15GE	WHITE	WHITE	0.00 CH
AMX01	WASHER	WASHER LARGE CAPACITY	QWA5669	WHITE	WHITE	470.00
AYX01	DRYER	DRYER 4 CYCLE	XTRDD65888	WHITE	WHITE	345.00
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4828-8	SAND NEBULA	0.00 CH
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	AMBRIA	46	39.33 SY	6869 ALMOND FROST	FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	AMBRIA	46	63 SY	6869 ALMOND FROST	FCC0102A03
Zone: 03	KITCHEN					
	LINOLEUM FLOORING	CAMBAY		19 SY	68441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					1514.97 CH
04---SELECTIONS: INTERIOR---						
MB500	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 CH
MB501	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 CH
MB502	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 CH
MB503	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 CH
MB504	BIFOLD DOORS	LIVING ROOM CLOSET	STD BIFOLD	3'0"		0.00 CH
MB505	BIFOLD DOORS	2ND FLOOR LINEN	STD BIFOLD	3'0"		0.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *[Signature]*
 PURCHASER: *[Signature]*
 DATE: 12-22-93
 SALES REP: *[Signature]*
 SALES REP: *[Signature]*
 CONST. REP: *[Signature]* 12-22-93

GRAND TOTAL \$ 3964.97
 Incl. Mortg. Sel \$ 2529.97
 AMOUNT DUE NOW \$ 118.93
 AMOUNT PAID NOW \$ 118.92 "OK"
 AMOUNT DUE AT CLOS \$ 3845.15

118.92

PROJECT : IN - SOCIETY HILL P UNIV. MEMPHIS III 680

Printed: 22-DEC-1993

BLDG NO: 2X UNIT: 01
MODEL : 5TH150-8 XLO

AAA DECORATION SELECTIONS, OPTIONS & UPGRADES AAA

OWNER : MURPHY
CONTRACT DATE: 05-DEC-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AMX01	DISHWASHER	1ST LEVEL 3 CYCLE	QSP500	WHITE	WHITE	340.00 CH
AEN01	REFRIGERATOR	19.2 CF REFRIGERATOR	TDX18DA9	WHITE	WHITE	620.00
AM500	RANGE HOOD	STANDARD RANGE HOOD	JN322	WHITE	WHITE	0.00 CH
AK500	RANGE	STANDARD RANGE	JUB613NE	WHITE	WHITE	0.00 CH
AMX0T	WASHER	WASHER LARGE CAPACIT	QWAS669	WHITE	WHITE	470.00
ATX01	DRYER	DRYER 4 CYCLE	KIRDD03688	WHITE	WHITE	345.00
02---CABINETS---						
KCU01	KITCHEN CABINETS	NATURAL LITE				675.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		4528-8	SAND REDULA	0.00 CH
03---FLOORING---						
Zone: 01	2ND FLOOR					
	CARPETING	ARMERIA	46	39.23 SY	6869 ALMOND FROST	FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL					
	CARPETING	ARMERIA	46	63 SY	6869 ALMOND FROST	FCC0102A03
Zone: 03	KITCHEN					
	LAMINUM FLOORING	CANBRAY		19 SY	69441	FLC0103A00
Package includes UPGRADE Padding in carpeted areas						
XF901	FLOORING PACKAGES --- STD. LAYOUT					1314.07 CH
04---SELECTIONS: INTERIOR---						
MS000	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 CH
MS001	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 CH
MS002	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 CH
MS003	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 CH
MS004	BIFOLD DOORS	LIVING ROOM CLOSET	STOBIFOLD	3'0"		0.00 CH
MS005	BIFOLD DOORS	2ND FLOOR LINEN	STOBIFOLD	3'0"		0.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Taxes may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : X1 MURPHY
PURCHASER :
DATE : 12-22-93

GRAND TOTAL \$ 3964.07
Incl. Portg. Sel \$ 2329.07

SALES REP : [Signature]
SALES REP : 12-22-93
CONST. REP : 12-22-93

118.92
118.92

AMOUNT DUE NOW \$ 118.92
AMOUNT PAID NOW \$ 118.92 *CH
AMOUNT DUE AT CLOS \$ 3845.15

PROJECT : IN - SOCIETY WILL O UNIV. HUNSMAN III, INC.

Printed: 22-DEC-1993

BLDG NO: 33 UNIT: 01
APPL : 001150-5 PLO

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : MURPHY
CONTRACT DATE: 03-DEC-1993

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01 - APPLIANCES						
AK001	DISHWASHER	1ST LEVEL 3 CYCLE	QSD500	WHITE	WHITE	340.00 CH
AK001	REFRIGERATOR	18.2 CF REFRIGERATOR	18X18X48	WHITE	WHITE	620.00
AK000	RANGE HOOD	STANDARD RANGE HOOD	JH322	WHITE	WHITE	0.00 CH
AK000	RANGE	STANDARD RANGE	JH015HE	WHITE	WHITE	0.00 CH
AK001	WASHER	WASHER LARGE CAPACITY	WHA5609	WHITE	WHITE	470.00
AK001	DRYER	DRYER 4 CYCLE	WHD063880	WHITE	WHITE	345.00
02 - CABINETS						
AK001	KITCHEN CABINETS	NATURAL LITE				675.00 CH
KIG00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		3528-0	SAND MARULA	0.00 CH
03 - FLOORING						
Zone: 01 2ND FLOOR						
	CARPETING	ARABIA	46	39.33 SY	6869 ALMOND FRUIT	FCC0101A03
Zone: 02 1ST FLOOR STAIRS/HALL						
	CARPETING	ARABIA	46	63 SY	6869 ALMOND FRUIT	FCC0102A03
Zone: 03 KITCHEN						
	CARULON FLOORING	CARULON		19 SY	68441	FCC0103A00
Package includes UPGRADE Padding in carpeted areas						
IF001	FLOORING PACKAGES -- STD. LAYOUT					1514.97 CH
04 - SELECTIONS: INTERIOR						
MB000	BIFOLD DOORS	LIVING ROOM STORAGE	STD BIFOLD	4'0"		0.00 CH
MB001	BIFOLD DOORS	MASTER BEDROOM	STD BIFOLD	4'0"		0.00 CH
MB002	BIFOLD DOORS	BEDROOM #2	STD BIFOLD	4'0"		0.00 CH
MB003	BIFOLD DOORS	2ND FLOOR STORAGE	STD BIFOLD	4'0"		0.00 CH
MB004	BIFOLD DOORS	LIVING ROOM CLOSET	STD BIFOLD	3'0"		0.00 CH
MB005	BIFOLD DOORS	2ND FLOOR LINEN	STD BIFOLD	3'0"		0.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: X1111111111
PURCHASER: 1111111111
DATE: 12-22-93

GRAND TOTAL \$ 1964.07
Incl. Mortg. Sel \$ 2539.07

SALES REP: 1111111111
SALES REP: 1111111111
CONST. REP: 1111111111

AMOUNT DUE NOW \$ 110.93
AMOUNT PAID NOW \$ 110.93 "CH"
AMOUNT DUE AT CLS \$ 3045.15

KH0V033999

222

K. HOVNANIAN BENCHMARK-008 RENEWAL CORP III

U.S.No : IW-22-B1

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS' III ETC

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: B1
MODEL : STM1150-6 >LQ

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MURPHY
CONTRACT DATE: 05-dec-1993

SELECTION-NO	A	DESCRIPTION	A	MODEL	SIZE	A	COLOR	A	COMMENTS	PRICE
01---APPLIANCES---										
ADK01		DISHWASHER		1ST LEVEL 3 CYCLE	GSD500		WHITE	WHITE		340.00 <H
AEX01		REFRIGERATOR		18.2 CF REFRIGERATOR	TBX18RAS		WHITE	WHITE		620.00
AHS00		RANGE HOOD		STANDARD RANGE HOOD	JN322		WHITE	WHITE		0.00 <H
ARS00		RANGE		STANDARD RANGE	JGBC15GE		WHITE	WHITE		0.00 <H
AHX01		WASHER		WASHER LARGE CAPACIT	WUA5669		WHITE	WHITE		470.00
AYX01		DRYER		DRYER 4 CYCLE	XTRDDG5888		WHITE	WHITE		345.00
02---CABINETS---										
KLU01		KITCHEN CABINETS		NATURAL LITE						675.00 <H
KIS00		KITCHEN COUNTERTOPS		STANDARD COUNTERTOP		4628-8	SAND NEBULA			0.00 <H
03---FLOORING---										
Zone: 01 2ND FLOOR										
		CARPETING		AMBRIA	46	39.33 SY	6869	ALMOND FROST	FCC0101A03	
Zone: 02 1ST FLOOR STAIRS/HALL										
		CARPETING		AMBRIA	46	63 SY	6869	ALMOND FROST	FCC0102A03	
Zone: 03 KITCHEN										
		LINOLEUM FLOORING		CAMBRAV		19 SY	68441		FLC0103A00	
Package includes UPGRADE Padding in carpeted areas										
YES01		FLOORING PACKAGES		STD. LAYOUT						1514.07 <H
04---SELECTIONS: INTERIOR---										
MBS00		BIFOLD DOORS		LIVING ROOM STORAGE	STD BIFOLD	4'0"				0.00 <H
MBS01		BIFOLD DOORS		MASTER BEDROOM	STD BIFOLD	4'0"				0.00 <H
MBS02		BIFOLD DOORS		BEDROOM #2	STD BIFOLD	4'0"				0.00 <H
MBS03		BIFOLD DOORS		2ND FLOOR STORAGE	STD BIFOLD	4'0"				0.00 <H
MBS04		BIFOLD DOORS		LIVING ROOM CLOSET	SIDBIFOLD	3'0"				0.00 <H
MBS05		BIFOLD DOORS		2ND FLOOR LINEN	STD BIFOLD	3'0"				0.00 <H

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : <i>Patricia Murphy</i>	GRAND TOTAL	\$	3964.07
PURCHASER :	Incl. Mortg. Sel	\$	2529.07
DATE : <i>12-22-93</i>	AMOUNT DUE NOW	\$	118.92
SALES REP : <i>J. Hanley</i>	AMOUNT PAID NOW	\$	118.92 "CK"
SALES MGR : <i>Aaron</i>	AMOUNT DUE AT CLOS	\$	3945.15
CONST. MGR :			

KHOV034000

S U M M A R Y O F B A S I C P R O V I S I O N S

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP llocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): PATRICIA MURPHY (u) of 541 DECATUR ST.
Tel: Res: (718) 452-4732 BROOKLYN
Bus: (212) 808-7539 NY ,11233.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.03
BLDG NO.: 22 , UNIT NO: B1 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	04-DEC-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	04-DEC-1993
	ADDITIONAL DEPOSIT	\$ 1,908.50	BY DATE	03-JAN-1994
	BALANCE at CLOSING	\$ 94,041.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 96,950.00		

MORTGAGE AMOUNT	: \$ 93,600.00	MORTGAGE CONTINGENCY DATE: 02-FEB-1994
		Estimated COMPLETION DATE: 15-FEB-1994
		DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034027

3964.07



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 4 day of Dec., 1993.

Buyer:

Patricia Murphy 12/4/93

Joseph J. Hanley

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Patricia Murphy 12/4/93
BUYER DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:

Wayne Soojian
DIRECTOR OF MARKETING AND SALES

DATE

12-10-93

KHOV034031

SUMMARY OF BASIC PROVISIONS

1015

The SELLER: K. HOVNANIAN (ONE ARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): PATRICIA MURPHY (u) of 541 DECATUR ST.
Tel: Res: (718) 452-4712 BROOKLYN
Bus: (212) 808 7537 NY 11231.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ ONLY, HEIGHTS T1 E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 LOT NO: 22.01
BLDG NO: 22 UNIT NO: B1 MODEL: STH1150-G 2 FLOOR

The PURCHASE PRICE: \$ 96,950.00
Consisting of:
BASE PRICE OF MODEL: \$ 96,950.00

94 Callahan Ct.

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 04-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-DEC-1993
ADDITIONAL DEPOSIT \$ 1,900.50 BY DATE 03-JAN-1994
BALANCE AT CLOSING \$ 94,041.50 PAID BY CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT: \$ 93,600.00 MORTGAGE CONTINGENCY DATE: 02-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Patricia Murphy 12/4/93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarann, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV034032



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG./UNIT NO: MODEL NO:

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on _____, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER _____	DATE _____
BUYER _____	DATE _____
BUYER _____	DATE _____
BUYER _____	DATE _____



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034033

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 33

UNIT: 02

The Purchase Agreement Between Angela Onagwona, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 4/9/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 108,384.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,248.54
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,036.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 105,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 106,669.60.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4/9/94
DATE

[Signature]
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV034038

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Angela Onafowora

, Buyer.

UNIT: B2 BLDG.: 22 PURCHASE AGREEMENT DATE: 4/9/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with First Financial Mortgage Corp. Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.

BUYER

DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:

LAURA VANVELTHOVEN
SALES MANAGER

KHOV034039

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E2C

Printed: 09-APR-1994

BLDG NO: 22 UNIT: B2
MODEL : STM1150-U >U?

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : ONAEQUORA
CONTRACT DATE: 09-APR-1994

SELECTION-NO	A	DESCRIPTION	A	MODEL	SIZE	A	COLOR	A	COMMENTS	PRICE
01---APPLIANCES---										
AMX01		WASTE DISPOSAL		DISPOSAL		GEC23N				130.00 CM
ADX01		DISHWASHER		1ST LEVEL 3 CYCLE		GS0500		WHITE WHITE		340.00 CM
APX02		REFRIGERATOR		19.1 CF REFRIGERATION		TBX19PAS		WHITE WHITE		740.00
AMX01		MICROWAVE OVEN		OVER RANGE (NON-VENT		JW4131		BLACK BLACK		505.00 CM
AMX00		RANGE		STANDARD RANGE		JGBCT15GE		WHITE WHITE		0.00
AMX02		WASHER		WASHER SUPER CAPACIT		WNA8520R		WHITE WHITE		500.00
AMX02		DRYER		DRYER 5 CYCLE		XTH0957680		WHITE WHITE		375.00
02---CABINETS---										
KCU02		KITCHEN CABINETS		NATURAL ARCH TANGE						925.00 CM
KTS00		KITCHEN COUNTERTOPS		STANDARD COUNTERTOP		1742-1		WHITE PORFELL		0.00
03---FLOORING---										
Zone: 01 2ND FLOOR										
		CARPETING		CAMEL BAY		93		39.33 SY 4379		MOON SPINNER FCC0101404
Zone: 02 1ST FLOOR STAIRS/HALL										
		CARPETING		CAMEL BAY		93		75.67 SY 4379		MOON SPINNER FCC0102404
Zone: 03 KITCHEN										
		LINOLEUM FLOORING		STARSTEP		19 SY		64633		ELC0103402
Package includes UPGRADE Padding in carpeted areas										
ZFS01		FLOORING PACKAGES -- STD. LAYOUT								2399.60 CM
04---SELECTIONS: INTERIOR---										
ME03		BIFOLD DOORS		2ND FLOOR STORAGE		STUBIFOLD		4'0"		0.00
ME04		BIFOLD DOORS		2ND FLOOR LINEN		SIDBIFOLD		3'0"		0.00
ME00		BIFOLD DOORS		LIVING ROOM STORAGE		HI-BIFOLD		4'0"		140.00 CM
ME01		BIFOLD DOORS		MASTER BEDROOM		HI-BIFOLD		4'0"		140.00 CM
ME02		BIFOLD DOORS		BEDROOM #2		HI-BIFOLD		4'0"		140.00 CM

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
PURCHASER :
DATE : *4/9/94*GRAND TOTAL \$ 6334.60
Incl. Mortg. Sel \$ 4719.60AMOUNT DUE NOW \$ 0.00
NOT PAIDSALES REP : *[Signature]*
SALES MGR : *Clayton Rabon 4-12-94*
CONST. MGR :

AMOUNT DUE AT CLS \$ 6334.60

KH0V034040

PROJECT : IN - SOCIETY HILL 2 UNIT. HEIGHTS III E3C

Printed: 09-APR-1994

 BLOG NO: 22 UNIT: 02
 MODEL : STM1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

 BUYER : ONAFORORA
 CONTRACT DATE: 09-apr-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	A	COLOR	COMMENTS	PRICE
01---APPLIANCES---							
ANX01	WASTE DISPOSAL	DISPOSAL	GFC29W				130.00 <H
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500	WHITE	WHITE		340.00 <H
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19PAS	WHITE	WHITE		740.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT	JVM131	BLACK	BLACK		505.00 <H
ANS00	RANGE	STANDARD RANGE	JGBC150E	WHITE	WHITE		0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WMA8620R	WHITE	WHITE		500.00
AYX02	DRYER	DRYER 5 CYCLE	XTRD067680	WHITE	WHITE		375.00
02---CABINETS---							
KCU02	KITCHEN CABINETS	NATURAL ARCH TANOE					925.00 <H
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE PORPEIT		0.00
03---FLOORING---							
Zone: 01	2ND FLOOR						
	CARPETING	CAMEL BAY	93	39.33 SY	4379	MOON SPINNER	FCC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL						
	CARPETING	CAMEL BAY	93	75.67 SY	4379	MOON SPINNER	FCC0102A04
Zone: 03	KITCHEN						
	LINOLEUM FLOORING	STARSTEP		19 SY	64623		FLC0103A02
Package includes UPGRADE Padding in carpeted areas							
XF001	FLOORING PACKAGES -- STD. LAYOUT						2399.60 <H
04---SELECTIONS: INTERIOR---							
NBS03	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"			0.00
NBS04	BIFOLD DOORS	2ND FLOOR LINEN	STDBIFOLD	3'0"			0.00
NBU00	BIFOLD DOORS	LIVING ROOM STORAGE	NI-BIFOLD	4'0"			140.00 <H
NBU01	BIFOLD DOORS	MASTER BEDROOM	NI-BIFOLD	4'0"			140.00 <H
NBU02	BIFOLD DOORS	BEDROOM #2	NI-BIFOLD	4'0"			140.00 <H

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of (10%) at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

 PURCHASER : ☒ [Signature]
 PURCHASER : ☐ [Signature]
 DATE : ☒ 4/9/94

 GRAND TOTAL \$ 6334.60
 Incl. Mortg. Sel \$ 4719.60

 AMOUNT DUE NOW \$ 0.00
 NOT PAID

 SALES REP : [Signature]
 SALES MGR : [Signature] 4-12-94
 CONST. MGR : [Signature]

AMOUNT DUE AT CLOS \$ 6334.60

KH0V034041

K. HOUARIAN CHEMICALS - URB. RENEWAL CORP. 11
PROJECT : IN - SOCIETY WILL & UNIT. HEIGHTS III E3C

D.S. No. 14-23-83
Printed: 09-APR-1994

BLOS NO: 22 UNIT: B2
MODEL : STN1150-U BUY

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : ONAFOMORA
CONTRACT DATE: 09-apr-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ANX01	WASTE DISPOSAL	DISPOSAL	GFC290			130.00 <H
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	BS0500	WHITE	WHITE	340.00 <H
AEX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX13PAS	WHITE	WHITE	740.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 <H
ARS00	RANGE	STANDARD RANGE	JOBC1508	WHITE	WHITE	0.00
ANX02	WASHER	WASHER SUPER CAPACIT	UWAS6208	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XTRDD07680	WHITE	WHITE	375.00
02---CABINETS---						
KCU02	KITCHEN CABINETS	NATURAL ANCH TANDR				935.00 <H
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE PORCEIT	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	CAMEL BAY	93	39.33 SY	4379 MOON SPINNER	ECC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	CAMEL BAY	93	75.67 SY	4379 MOON SPINNER	ECC0102A04
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP		19 SY	64623	ELC0103A02
Package includes UPGRADE Padding in carpeted areas						
XFG01	FLOORING PACKAGES -- STD. LAYOUT					2399.60 <H
04---SELECTIONS: INTERIOR---						
ADS03	BIFOLD DOORS	2ND FLOOR STORAGE	STDBIFOLD	4'0"		0.00
ADS04	BIFOLD DOORS	2ND FLOOR LINEN	STDBIFOLD	3'0"		0.00
ADU00	BIFOLD DOORS	LIVING ROOM STORAGE	AL-BIFOLD	4'0"		140.00 <H
ADU01	BIFOLD DOORS	MASTER BEDROOM	AL-BIFOLD	4'0"		140.00 <H
ADU02	BIFOLD DOORS	BEDROOM #2	AL-BIFOLD	4'0"		140.00 <H

0.00

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PURCHASER : [Signature]
PURCHASER : [Signature]
DATE : 4/9/90

GRAND TOTAL \$ 6334.60
Incl. Mortg. Sel \$ 4719.60

AMOUNT DUE NOW \$ 0.00
NOT PAID

SALES REP : [Signature]
SALES MGR : [Signature]
CONST. MGR : [Signature]

AMOUNT DUE AT CLOS \$ 6334.60

KHOV034042

PROJECT : 10 - SOCIETY HILL 2 UNIT. HEIGHTS 111P3C

Printed: 09-APR-1994

BLDG NO: 22 UNIT: 02
MODEL : STH150-U DUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : ONAEONORA
CONTACT DATE: 09-APR-1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ANX01	WASTE DISPOSAL	DISPOSAL	GEC29R			130.00 CH
AOX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500	WHITE	WHITE	340.00 CH
AXX02	REFRIGERATOR	19.1 CB REFRIGERATOR	TBX19FAS	WHITE	WHITE	740.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT	JVM131	BLACK	BLACK	505.00 CH
ARS00	RANGE	STANDARD RANGE	JGB615AG	WHITE	WHITE	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WVAB620R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XTEUDG7080	WHITE	WHITE	375.00
02---CABINETS---						
KXU02	KITCHEN CABINETS	NATURAL ADRN TANDR				925.00 CH
KXS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE PORCEL		0.00
03---FLOORING---						
Zone: 01: 2ND FLOOR						
	CARPETING	CANDEL BAY	93	39.33 SY	4379 MOON SPINNER	FCC0101A04
Zone: 02: 1ST FLOOR STAIRS/HALL						
	CARPETING	CANDEL BAY	93	75.07 SY	4379 MOON SPINNER	FCC0102A04
Zone: 03: KITCHEN						
	LINOLEUM FLOORING	STARSTEP	19 SY	64623		FCC0103A02
Package includes UPGRADE padding in carpeted areas						
KXS01	FLOORING PACKAGES -- STD. LAYOUT					2399.00 CH
04---SELECTIONS: INTERIOR---						
HXS03	BIFOLD DOORS	2ND FLOOR STORAGE	STOUBIFOLD	4'0"		0.00
HXS04	BIFOLD DOORS	2ND FLOOR LINEN	STOUBIFOLD	3'0"		0.00
HXU00	BIFOLD DOORS	LIVING ROOM STORAGE	HI-BIFOLD	4'0"		140.00 CH
HXU01	BIFOLD DOORS	MASTER BEDROOM	HI-BIFOLD	4'0"		140.00 CH
HXU02	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		140.00 CH

D. 70

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : [Signature]
PURCHASER : [Signature]
DATE : 4/9/94

GRAND TOTAL \$ 6334.60
Incl. Mortg. Sel \$ 4719.60

AMOUNT DUE NOW \$ 0.00
NOT PAID

SALES REP : [Signature]
SALES MAN : [Signature]
CONST. MGR : [Signature]

AMOUNT DUE AT CLOS \$ 6334.60

KHOV034043

K. HUNTERMAN CHAMBERLAIN-URS GENERAL CORP. INC.
PROJECT : IN - SOCIETY HILL 2 UNIT, HEIGHTS III ETC

U.S. Reg. 10-28-72

Printed: 09 APR 1994

BLOG NO: 22 UNIT: 02
 MODEL : STR1150-0 JUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : CHAFEDORA
 CONTRACT DATE: 09 APR 1994

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
APX01	WASTE DISPOSAL	DISPOSAL	GET39V			120.00 CH
APX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSN500	WHITE	WHITE	340.00 CH
APX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBA199AS	WHITE	WHITE	740.00
APX01	MICROWAVE OVEN	OVER RANGE (RUSH-VENT)	JVR131	BLACK	BLACK	505.00 CH
APX00	RANGE	STANDARD RANGE	JOB1506	WHITE	WHITE	0.00
APX02	WASHER	WASHER SUPER CAPACIT	W444620R	WHITE	WHITE	500.00
APX02	DRYER	DRYER 5 CYCLE	XTF0067080	WHITE	WHITE	375.00
02---CABINETS---						
KCH02	KITCHEN CABINETS	NATURAL ARCH TRIM				925.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE PERFECT	0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	CAMEL BAY	93	39.33 SY	4379	MOON SPINNER ECC0101AG4
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	CAMEL BAY	93	75.07 SY	4379	MOON SPINNER ECC0102AG4
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP		19 SY	0402J	FLC0103AG2
Package includes UPGRADE Padding in carpeted areas						
XF001	FLOORING PACKAGES -- STD. LAYOUT					2399.60 CH
04---SELECTIONS: INTERIOR---						
AB003	BIFOLD DOORS	2ND FLOOR STORAGE	STOBIFOLD	4'0"		0.00
AB004	BIFOLD DOORS	2ND FLOOR LINEN	STOBIFOLD	3'0"		0.00
AB006	BIFOLD DOORS	LIVING ROOM STORAGE	BI-BIFOLD	4'0"		140.00 CH
AB001	BIFOLD DOORS	GASPER BEDROOM	BI-BIFOLD	4'0"		140.00 CH
AB002	BIFOLD DOORS	BEDROOM #2	BI-BIFOLD	4'0"		140.00 CH

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PURCHASER : [Signature]
 PURCHASER : _____
 DATE : 04/11/94

GRAND TOTAL \$ 6334.60
 Incl. Mortg. Sel \$ 4719.60

AMOUNT DUE NOW \$ 0.00
 NOT PAID

SALES REP : [Signature]
 SALES REP : _____
 CRIST. MOR: _____

AMOUNT DUE AT CLS \$ 6334.60

KHOV034044

YZZ

K. HOUMANIAN BENEVOLENT RENEWAL CORP

D.S. No. 10-33-B2

PROJECT : IV - SOCIETY HILL & UNIV. HEIGHTS III E&C

Printed: 09-APR-1994

BLDG NO: 22 UNIT: B2
MODEL : STM1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : ONAFOWORA
CONTRACT DATE: 09-APR-1994

SELECTION NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ANX01	WASTE DISPOSAL	DISPOSAL	GEC29H			130.00
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GS2500	WHITE	WHITE	340.00
AFX02	REFRIGERATOR	19.1 CF REFRIGERATOR	TBX19P43	WHITE	WHITE	740.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT	JVM131	BLACK	BLACK	505.00
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00
AWX02	WASHER	WASHER SUPER CAPACIT	WWA8620R	WHITE	WHITE	500.00
AYX02	DRYER	DRYER 5 CYCLE	XTRDUG7680	WHITE	WHITE	375.00
02---CABINETS---						
KCU03	KITCHEN CABINETS	NATURAL ARCH TAMOE				925.00
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE POMPEII		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	CANEEL BAY	93	39.33 SY	4379 MOON SPINNER	ECC0101A04
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	CANEEL BAY	93	75.67 SY	4379 MOON SPINNER	ECC0102A04
Zone: 03	KITCHEN LINOLEUM FLOORING	STARSTEP	19 SY	64623		FLC0103A02
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					2399.60
04---SELECTIONS: INTERIOR---						
MBS03	BIFOLD DOORS	2ND FLOOR STORAGE	SYDBIFOLD	4'0"		0.00
MBS04	BIFOLD DOORS	2ND FLOOR LINEN	SYDBIFOLD	3'0"		0.00
MBU00	BIFOLD DOORS	LIVING ROOM STORAGE	M1-BIFOLD	4'0"		140.00
MBU01	BIFOLD DOORS	MASTER BEDROOM	M1-BIFOLD	4'0"		140.00
MBU02	BIFOLD DOORS	BEDROOM #2	M1-BIFOLD	4'0"		140.00

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PURCHASER : *[Signature]*
PURCHASER :
DATE : 4/9/94

GRAND TOTAL \$ 6334.60
Incl. Mortg. Sel \$ 4719.60

AMOUNT DUE NOW \$ 0.00
NOT PAID

SALES REP : *[Signature]*
SALES MGR : *[Signature]* 4-12-94
CONST. MGR :

AMOUNT DUE AT CLOS \$ 6334.60

KHOV034045

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Angela Onafowora

, Buyer.

UNIT: B2 BLDG.: 22 PURCHASE AGREEMENT DATE: 4/9/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with First Financial Mortgage Corp. Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.

BUYER

DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:

LAURA VANVELTHOVEN
SALES MANAGER

KHOV034059

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ANGELA ONAFOWORA (U) of 31 VOSE AVENUE/APT 118
Tel: Res: (201) 242-8199 SOUTH ORANGE
Bus: (201) 399-6805 NJ , 07079.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.04
BLDG NO: 22 , UNIT NO: B2 , MODEL: STH150-U UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$	0.00	ON DATE	09-APR-1994
	ON SIGNING CONTRACT	\$	1,000.00	ON DATE	09-APR-1994
	ADDITIONAL DEPOSIT	\$	2,058.50	BY DATE	09-MAY-1994
	BALANCE at CLOSING	\$	98,891.50	PAID by CERTIFIED CHECK	
	Total PAYMENT		\$101,950.00		

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 08-JUN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) DATE 4/9/94

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034062

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 9th day of April, 1994.

Buyer: 

Lisa M. Weems

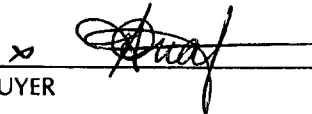
Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER  DATE 4/9/94

BUYER _____ DATE _____

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:  DATE 4/14/94

KHOV034066

S U M M A R Y O F T E R M S A N D C O N D I T I O N S

FC10

The SELLER: K. HOVNANIAN (NEWARK) URB RENEWAL CORP. I located at:
10 HWY 35, P.O. BOX 500

RED BANK NEW JERSEY 07701.

The BUYER(S): ANGELA ONAEQWORA (u) of 31 VOSE AVENUE/APT 118
Tel: Res: (201) 242-8199 SOUTH ORANGE
Bus: (201) 399-6805 NJ 07079.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT SOCIETY HILL @ UNIV. HEIGHTS 111 EAC
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 22.04
BLDG NO: 2204, UNIT NO: B2 MODEL: STH150-U DUPTER

The PURCHASE PRICE: \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS
1. INITIAL DEPOSIT \$ 0.00 ON DATE 09-APR-1994
2. ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-APR-1994
3. ADDITIONAL DEPOSIT \$ 2,058.50 BY DATE 09-MAY-1994
4. BALANCE at CLOSING \$ 98,891.50 PAID by CERTIFIED CHECK
5. TOTAL PAYMENT \$101,950.00

MORTGAGE AMOUNT: \$98,850.00 MORTGAGE CONTINGENCY DATE: 08-JUN-1994
WARRANTIES Estimated COMPLETION DATE: 15-FEB-1994
ENTIRE AGREEMENT OF COVENANTS DY-MON-YEAR

TERMS AND CONDITIONS - PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark, NJ (BUYER) DATE 4/9/94
Urban Renewal Corporation 111, Inc. (BUYER) DATE
DO YOU MAY CHOOSE TO CANCEL AND CANCEL THE CANCELLATION PERIOD. INTEREST ACCRUED FROM SUCH DEPOSITS SHALL BE PAID TO THE SELLER AND IN THE PUBLIC UTILITY CANCELLATION PERIOD.

DEPOSITS - All deposits shall be held in escrow by the SELLER at the time of closing. The SELLER shall be responsible for the payment of the deposits. The SELLER shall be responsible for the payment of the deposits. The SELLER shall be responsible for the payment of the deposits.

Execution of Both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

HOVNANIAN REAL ESTATE CORP. (BUYER) DATE

CLOSING OF TITLE - Closing of title is to be completed by the SELLER at the time, date and place specified by Seller in notice to Buyer but in no event later than the completion date as stated on the SELLER'S OFFER OF PURCHASE without Buyer's consent.

PROVISIONS without Buyer's consent. A Certificate of Occupancy issued by the City, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for these services. Buyer may have his own attorney at his own expense. The Buyer will close title even if all site improvements have not been completed.

Improvements have not been completed. In accordance with the Interstate Land Sales Act, the SELLER'S OFFER OF PURCHASE is for the sale of a condominium unit in a project which the SELLER, if there are no unanticipated circumstances, is fully outside of the control of the SELLER, is to be completed within a period of two years. If Buyer is unable to complete closing on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its right to fund paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and other costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed the purchase price plus optional upgrades and an 11% seller in the Unit. Proceeds of closing are to be paid to the Buyer by certified or bank cashiers check. Uncertified money, trust account or other checks are not acceptable.

TITLE - Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantors' Act, Affidavit of Title, and a copy of the resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the property shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, which is an affiliate of the Seller.

KHOV034067



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Onanifora

BLDG/UNIT: 2482

MODEL: 1150

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 4/9, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

<u>BUYER</u>	<u>4/9/94</u>
<u>BUYER</u>	<u>DATE</u>
<u>BUYER</u>	<u>DATE</u>
<u>BUYER</u>	<u>DATE</u>



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034069

KHOV034073

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C1

The Purchase Agreement between Alvin D. Whitney BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 14-dec-1993.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 88,708.72
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,661.26
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 86,047.45
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 82,600.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 87,958.72
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

1-20-94
DATE

X Alvin D. Whitney
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojin
WAYNE SOOJIN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034075

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

Alvin D. Whitney

_____, Buyer.

UNIT: C1

BLDG. 22

PURCHASE AGREEMENT DATED: 14-dec-1993

(1) Seller will give a credit to Buyer at the closing to
be taken from the Total Purchase Price of the Unit and
Decorator Selections equal to: \$ 163.72

(2) This credit program is available only to Buyers of
Units within certain buildings comprising Society Hill at
University Heights III a Condominium (chosen at Seller's
discretion) and to those Buyers who sign Purchase Agreements
and Decorator Selection Riders and who close title or
otherwise comply with this addendum.

DATE 1-27-94

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 1-20-94

"BUYER"

X Alvin D. Whitney

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

KHOV034076

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C1

The Purchase Agreement between Alvin D. Whitney BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 12-14-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 88,545.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 87,545.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 82,600.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 87,495.00
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

12-23-93

BUYER

X Alvin D. Whitney

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034079

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ALVIN D WHITNEY (M) of 110 POST AVE.
Tel: Res: (212) 567-8551 NEW YORK
Bus: (201) 974-6470 NY ,10034.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.05
BLDG NO.: 22 , UNIT NO: C1 , MODEL: STH1050-G >LOWER

The PURCHASE PRICE : \$ 86,950.00
Consisting of:
BASE PRICE of MODEL \$ 86,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 14-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-DEC-1993
ADDITIONAL DEPOSIT \$ 1,608.50 BY DATE 13-JAN-1994
BALANCE at CLOSING \$ 84,341.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 86,950.00

MORTGAGE AMOUNT : \$ 82,600.00 MORTGAGE CONTINGENCY DATE: 12-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034110

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

- 1. DEPOSITS**—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.
- 2. CLOSING CHARGES**—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.
- 3. ADJUSTMENT**—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)
- 4. CLOSING OF TITLE**—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.
- 5. TITLE**—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and, Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH J. HANLEY

State of New Jersey) ss.
County of Essex)

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 12/31/93

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 14 day of Dec, 1993.

Buyer: X Armen D. Tzibitsey

Joseph J. Hanley

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

X Armen D. Tzibitsey 12-14-93
BUYER DATE

BUYER DATE

BY: Wayne Soojian 12-20-93
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV034114

OK

S U M M A R Y O F B A S I C P R O V I S I O N S

LC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ALVIN D WHITNEY (M) of 110 POST AVE.
Tel: Res: (212) 567-8551 NEW YORK
Bus: (201) 974-6470 NY ,10034.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.05
BLDG NO.: 22 , UNIT NO: C1 , MODEL: STH1050-G >LOWER

The PURCHASE PRICE : \$ 86,950.00
Consisting of:
BASE PRICE OF MODEL \$ 86,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 14-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-DEC-1993
ADDITIONAL DEPOSIT \$ 1,608.50 BY DATE 13-JAN-1994
BALANCE at CLOSING \$ 84,341.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 86,950.00

MORTGAGE AMOUNT : \$ 82,600.00 MORTGAGE CONTINGENCY DATE: 12-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGroovey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034115

SUMMARY OF BASIC PROVISIONS

LC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ALVIN D WILTNEY (M) of 110 POST AVE.
Tel: Res: (212) 567-8551 NEW YORK
Bus: (201) 974-6470 NY ,10034.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.05
BLDG NO.: 22 , UNIT NO: C1 , MODEL: STH1050-G >LOWER

The PURCHASE PRICE : \$ 86,950.00
Consisting of:
BASE PRICE OF MODEL \$ 86,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 14-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-DEC-1993
ADDITIONAL DEPOSIT \$ 1,608.50 BY DATE 13-JAN-1994
BALANCE at CLOSING \$ 84,341.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 86,950.00

MORTGAGE AMOUNT : \$ 82,600.00 MORTGAGE CONTINGENCY DATE: 12-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR:

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

X Alvin D. Wiltny 12-14-93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarawa, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034117



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Whitney* BLDG./UNIT NO: *22C1* MODEL NO: *1050G*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *12-14-*, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO-SO MAY DELAY REFUND OF DEPOSIT MONIES.

X Allen D. Tuttle *12-14-93*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034118

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 33

Unit No.: C2

The Purchase Agreement between Jaqueline E. Barlow BUYER(S)
_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 9/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,366.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,980.99
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 96,385.31
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,350.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,996.30
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

10-3-93
DATE

x Jacqueline E. Barlow
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KH0V034123

ZZZ

R.HOVNANIAN NEWARK-URB RENEVAL CORP III

D.S.No : IW-22-C2

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 26-SEP-1993

BLDG NO: 22 UNIT: C2
MODEL : STH1050-U DUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

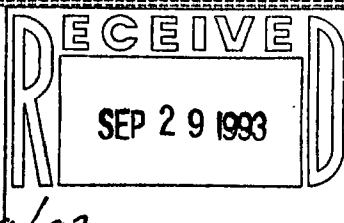
BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ABX01	WASTE DISPOSAL	DISPOSAL	GFC29R			130.00 <M
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	WHITE	WHITE	340.00 <M
AFX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18DAS	WHITE	WHITE	620.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT	JVM131	BLACK	BLACK	505.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC158E	WHITE	WHITE	0.00
AYX01	DRYER	WASHER/DRYER STACK	WSM2400	WHITE	WHITE	750.00
02---CABINETS---						
KCU05	KITCHEN CABINETS	NATURAL TANOE				425.00 <M
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE POMPEII		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	35.33 SY	8749	DIAMOND DUST FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	71.67 SY	8749	DIAMOND DUST FCC0102A03
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	DESIGNER	14.67 SY	89650		FLC0103A03
	Package includes UPGRADE Padding in carpeted areas					
XF501	FLOORING PACKAGES -- STD. LAYOUT					1866.30 <M
04---SELECTIONS: INTERIOR---						
MBU00	BIFOLD DOORS	BEDROOM #1	MI-BIFOLD	4'0"		140.00 <M
MBU01	BIFOLD DOORS	BEDROOM #2	MI-BIFOLD	4'0"		140.00 <M
08---FEATURES: EXTERIOR---						
EDX01	DECK FEATURE	OPTIONAL BALCONY				2500.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Jacqueline C. Barb*
PURCHASER :
DATE : *9-26-93*

SALES REP : *Jim Weiss*
SALES MGR : *Quinn Eagon* 9-28-93
CONST. MGR : *Matthew Halloran* 9/29/93



GRAND TOTAL \$ 7416.30
Incl. Mortg. Sel \$ 6046.30
AMOUNT DUE NOW \$ 222.49
AMOUNT PAID NOW \$ 222.49 'CK'
AMOUNT DUE AT CLOS \$ 7193.81

KHOV034124

XXX

K.HOVNANIAN ONEWARK-URB RENEWAL CORP III

D.S.No : IN-24-C2

PROJECT : IN - SOCIETY HILL & UNIV. HEIGHTS III E8C

Printed: 26-SEP-1993

BLOG NO: 22 UNIT: C2
MODEL : SH1050-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01-----APPLIANCES-----						
ADX01	WASTE DISPOSAL	DISPOSAL	QPC29R			130.00 <M
ADX01	DISHWASHER	18T LEVEL 3 CYCLE	GS0500	WHITE	WHITE	340.00 <M
AEX01	REFRIGERATOR	18.2 CY REFRIGERATOR	TBX18DAS	WHITE	WHITE	620.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 <M
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00
AYX01	DRYER	WASHER/DRYER STACK	WSM2400	WHITE	WHITE	750.00
02-----CABINETS-----						
KCU05	KITCHEN CABINETS	NATURAL TANQUE				425.00 <M
KYS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE POMPEII		0.00
03-----FLOORING-----						
Zone: 01	2ND FLOOR CARPETING	AMBRIA	46	39.33 SY	8749	DIAMOND DUST FCC0101A03
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMBRIA	46	71.67 SY	8749	DIAMOND DUST FCC0102A03
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	DESIGNER	14.67 SY	89650		FLC0103A03
Package includes UPGRADE Padding in carpeted areas						
XFS01	FLOORING PACKAGES -- STD. LAYOUT					1866.30 <M
04-----SELECTIONS: INTERIOR-----						
MBU00	BIFOLD DOORS	BEDROOM #1	HI-BIFOLD	4'0"		140.00 <M
MBU01	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		140.00 <M
05-----FEATURES: EXTERIOR-----						
EDX01	DECK FEATURE	OPTIONAL BALCONY				2500.00 <M

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER :	<i>Josephine C. Barb</i>	GRAND TOTAL	\$	7416.30
PURCHASER :		Incl. Mortg. Sel	\$	6046.30
DATE :	<i>9-26-93</i>	AMOUNT DUE NOW	\$	222.49
SALES REP :	<i>Sue Weiss</i>	AMOUNT PAID NOW	\$	222.49 "CK"
SALES MGR :	<i>Quon Kabon 9.28.93</i>	AMOUNT DUE AT CLOS	\$	7193.81
CONST. MGR :	<i>Matthew Halliday 9/29/93</i>			

KHOV034125

PROJECT : IN - SOCIETY HILL @ UNIV. HEIGHTS III E3C

Printed: 26-SEP-1993

BLDG NO: 22 UNIT: C2
MODEL : STM1030-U DUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
ADY01	WASTE DISPOSAL	DISPOSAL	QEC29R			130.00 CH
ADY01	DISHWASHER	1ST LEVEL 3 CYCLE	GS0500	WHITE	WHITE	340.00 CH
AEY01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18D6S	WHITE	WHITE	620.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT	JVM131	BLACK	BLACK	505.00 CH
ANG00	RANGE	STANDARD RANGE	J0BC15GE	WHITE	WHITE	0.00
AYX01	DRYER	WASHER/DRYER STACK	WSK2400	WHITE	WHITE	750.00
02---CABINETS---						
KCY05	KITCHEN CABINETS	NATURAL LAHUE				425.00 CH
KYS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE POMPEII		0.00
03---FLOORING---						
Zone: 01 2ND FLOOR						
	CARPETING	AMERICA	46	35.33 SY	8749 DIAMOND DUST	FCC0101A03
Zone: 02 1ST FLOOR STAIRS/HALL						
	CARPETING	AMERICA	46	71.67 SY	8749 DIAMOND DUST	FCC0102A03
Zone: 03 KITCHEN/ENTRY						
	LINOLEUM FLOORING	DESIGNER		14.67 SY	89650	FLC0103A03
Package includes UPGRADE Padding in carpeted areas.						
XF501	FLOORING PACKAGES -- STD. LAYOUT					1866.30 CH
04---SELECTIONS: INTERIOR---						
MBU00	BIFOLD DOORS	BEDROOM #1	HI-BIFOLD	4'0"		140.00 CH
MBU01	BIFOLD DOORS	BEDROOM #2	HI-BIFOLD	4'0"		140.00 CH
05---FEATURES: EXTERIOR---						
EDX01	DECK FEATURE	OPTIONAL BALCONY				3500.00 CH

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Jacqueline E. Bab
PURCHASER :
DATE : 9-26-93

GRAND TOTAL \$ 7416.30
Incl. Mortg. Sel \$ 6046.30

SALES REP : Jim Weiss
SALES REP : Aaron Babon 9.28.93
CONST. NO : 9/29/93

AMOUNT DUE NOW \$ 222.49
AMOUNT PAID NOW \$ 222.49 "CK"
AMOUNT DUE AT CLOSE \$ 7193.81

KHOV034126

LOG NO: 22 UNIT: C2
MODEL : SM1050-U XUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01---APPLIANCES---						
AWX01	WASTE DISPOSAL	DISPOSAL	GFC29R			130.00 CH
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	6SD500	WHITE	WHITE	340.00 CH
AFX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX18048	WHITE	WHITE	630.00
AHX01	MICROWAVE OVEN	OVER RANGE (NON-VENT)	JVM131	BLACK	BLACK	505.00 CH
ARS00	RANGE	STANDARD RANGE	JGBC150E	WHITE	WHITE	0.00
AXX01	DRYER	WASHER/DRYER STACK	WGN2400	WHITE	WHITE	750.00
02---CABINETS---						
KU005	KITCHEN CABINETS	NATURAL TAMOR				425.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP	1742-1	WHITE POMPEII		0.00
03---FLOORING---						
Zone: 01	2ND FLOOR CARPETING	AMORIA	46	25.33 SY	8749 DIAMOND DUST ECC0101A03	
Zone: 02	1ST FLOOR STAIRS/HALL CARPETING	AMORIA	46	71.67 SY	8749 DIAMOND DUST ECC0102A03	
Zone: 03	KITCHEN/ENTRY LINOLEUM FLOORING	DESIGNER		14.67 SY	89650 ELC0103A03	
Package includes UPB8A00 Padding in carpeted areas						
XS001	FLOORING PACKAGES -- STD. LAYOUT					1866.30 CH
04---SELECTIONS: INTERIOR---						
MB000	BIFOLD DOORS	BEDROOM #1	NI-BIFOLD	4'0"		140.00 CH
MB001	BIFOLD DOORS	BEDROOM #2	NI-BIFOLD	4'0"		140.00 CH
05---FEATURES: EXTERIOR---						
EBX01	DECK FEATURE	OPTIONAL BALCONY				2500.00 CH

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Jacqueline E. Barlow
PURCHASER :
DATE : 9-26-93

GRAND TOTAL \$ 7416.30
Incl. Mortg. Sel \$ 6046.30

SALES REP : Eric Williams
SALES REP : Quinn E. Barlow 9-28-93
CONST. NO. : 9/29/93

AMOUNT DUE NOW \$ 222.49
AMOUNT PAID NOW \$ 222.49 *CH
AMOUNT DUE AT CLOS \$ 7193.81

KHOV034127

PROJECT : IN - SOCIETY HILL @ UNIV. HEIGHTS - III SEC

Printed: 26-SEP-1993

BLDG NO: 23 UNIT: C2
MODEL : STM1000-U NOV

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	A	DESCRIPTION	A	MODEL	SIZE	A	COLOR	A	COMMENTS	PRICE
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01---APPLIANCES---

ADK01	WASTE DISPOSAL	DISPOSAL		QBC29R						130.00 CH
ADK01	DISHWASHER	1ST LEVEL 3 CYCLE		GS0500		WHITE	WHITE			340.00 CH
AFK01	REFRIGERATOR	18.2 CF REFRIGERATOR		TK18048		WHITE	WHITE			620.00
AMK01	MICROWAVE OVEN	OVER RANGE (NON-VENT)		JWH131		BLACK	BLACK			505.00 CH
ARS00	RANGE	STANDARD RANGE		JGC15GE		WHITE	WHITE			0.00
ATX01	DRYER	WASHER/DRYER STACK		VEN2400		WHITE	WHITE			750.00

02---CABINETS---

KCU05	KITCHEN CABINETS	NATURAL TANOR								425.00 CH
KTS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP			1742-1	WHITE	POMPEII			0.00

03---FLOORING---

Zone: 01 2ND FLOOR

CARPETING

ANNITA

46

35.33 SY

8/49

DIAMOND DUST

ECC0101A03

Zone: 02 1ST FLOOR STAIRS/HALL

CARPETING

ANNITA

46

71.67 SY

8/49

DIAMOND DUST

ECC0102A03

Zone: 03 KITCHEN/ENTRY

LINOLEUM FLOORING

DESIGNER

14.67 SY

09650

ELC0103A03

Package includes UPGRADE Padding in carpeted areas

XFS01 FLOORING PACKAGES -- STD. LAYOUT

1856.30 CH

04---SELECTIONS: INTERIOR---

MDU00	BIFOLD DOORS	BEDROOM #1	MI-BIFOLD	4'0"						140.00 CH
MDU01	BIFOLD DOORS	BEDROOM #2	MI-BIFOLD	4'0"						140.00 CH

05---FEATURES: EXTERIOR---

EDX01	DECK FEATURE	OPTIONAL BALCONY								2500.00 CH
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Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Josephine E. Bala
PURCHASER :
DATE : 9-26-93

GRAND TOTAL \$ 7416.30
Incl. Mortg. Sel \$ 6046.30

SALES REP : Joe Williams
SALES HON : Queen Eabon 9-28-93
CONST. HON : 9/29/93

AMOUNT DUE NOW \$ 222.49
AMOUNT PAID NOW \$ 222.49 *CK*
AMOUNT DUE AT CLOS \$ 7193.81

KH0V034128

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C2

The Purchase Agreement between Jacqueline E. Barlow BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 9/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,366.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,222.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,143.81
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,385.31
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,996.30.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-26-93
DATE

Jacqueline E. Barlow
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034130

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C2

The Purchase Agreement between Jaqueline E. Barlow BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 9/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,366.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,222.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,143.81
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,385.31
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,996.30
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-26-93
DATE

Jaqueline E. Barlow
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034131

XXX

KHOVNANTIAN BENEVOLENT-URB RENEWAL CORP III

D.S.No : KU-22-C2

PROJECT : 1W - SOCIETY HILL @ UNIV. HEIGHTS III E3C

Printed: 26-SEP-1993

BLDG NO: 22 UNIT: C2
MODEL : STM1050-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

SELECTION-NO	DESCRIPTION	MODEL	SIZE	COLOR	COMMENTS	PRICE
01-----APPLIANCES-----						
ADX01	WASTE DISPOSAL	DISPOSAL	GEC29R			130.00 <
ADX01	DISHWASHER	1ST LEVEL 3 CYCLE	GSD500	WHITE	WHITE	340.00 <
APX01	REFRIGERATOR	18.2 CF REFRIGERATOR	TBX1924S	WHITE	WHITE	620.00
AMX01	MICROWAVE OVEN	OVER RANGE (NON-VENT	JVM131	BLACK	BLACK	505.00 <
ARS00	RANGE	STANDARD RANGE	JGBC15GE	WHITE	WHITE	0.00
AYX01	DRYER	WASHER/DRYER STACK	USH2400	WHITE	WHITE	750.00
02-----CABINETS-----						
KCU05	KITCHEN CABINETS	NATURAL TANOE				425.00 <
KIS00	KITCHEN COUNTERTOPS	STANDARD COUNTERTOP		1742-1	WHITE POMPEII	0.00
03-----FLOORING-----						
Zone: 01 2ND FLOOR						
	CARPETING	AMBP14	46	35.33 SY	8749	DIAMOND DUST ECC0101A03
Zone: 02 1ST FLOOR STAIRS/HALL						
	CARPETING	AMBP14	46	71.67 SY	8749	DIAMOND DUST ECC0102A03
Zone: 03 KITCHEN/ENTRY						
	LINOLEUM FLOORING	DESIGNER		14.67 SY	89650	ELC0103A03
Package includes UPGRADE Padding in carpeted areas						
XIS01	FLOORING PACKAGES -- STD. LAYOUT					1866.30 <
04-----SELECTIONS: INTERIOR-----						
MBU00	KIEFOLD DOORS	BEDROOM #1	M1-BIEFOLD	4'0"		140.00 <
MBU01	BIFOLD DOORS	BEDROOM #2	M1-BIEFOLD	4'0"		140.00 <
05-----FEATURES: EXTERIOR-----						
EDX01	DECK FEATURE	OPTIONAL BALCONY				2500.00 <

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Josephine C. Babo*
PURCHASER :
DATE : *9-26-93*

GRAND TOTAL \$ 7416.30
Incl. Mortg. Sel \$ 6046.30

SALES REP : *Jim Weiss*
SALES REP : *Steven Kabon 9-28-93*
CONST. NO:

AMOUNT DUE NOW \$ 222.49
AMOUNT PAID NOW \$ 222.49 "CK"
AMOUNT DUE AT CLOS \$ 7193.81

KHOV034132

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JACQUELINE E BARLOW (u) of 17 STECHER STREET
Tel: Res: (201) 926-6488 NEWARK
Bus: () - NJ ,07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.06
BLDG NO.: 22 , UNIT NO: C2 , MODEL: STH1050-U >UPPER

The PURCHASE PRICE : \$ 91,950.00
Consisting of:
BASE PRICE of MODEL \$ 91,950.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	03-SEP-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	03-SEP-1993
	ADDITIONAL DEPOSIT	\$ 1,758.50	BY DATE	03-OCT-1993
	BALANCE at CLOSING	\$ 89,191.50	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 91,950.00		

MORTGAGE AMOUNT : \$ 89,150.00 MORTGAGE CONTINGENCY DATE: 02-NOV-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034148



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing, and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of Augustth September, 1993.

Buyer: x Jacqueline Barbo

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

x Jacqueline Barbo 9-3-93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Wayne Soojian 9.9.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV034152

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JACQUELINE E. BARLOW (u) of 17 STECHER STREET
Tel: Res: (201) 926-6488 NEWARK
Bus: () NJ 07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 22.06
BLDG NO: 22 , UNIT NO: 02 , MODEL: STH1050-U UPPER

The PURCHASE PRICE : \$ 91,950.00
Consisting of:
BASE PRICE of MODEL \$ 91,950.00

96 CALLAHAN CT.

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 03-SEP-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 03-SEP-1993
ADDITIONAL DEPOSIT \$ 1,758.50 BY DATE 03-OCT-1993
BALANCE at CLOSING \$ 89,191.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 91,950.00

MORTGAGE AMOUNT : \$ 89,150.00 MORTGAGE CONTINGENCY DATE: 02-NOV-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Jacqueline Barlow 9-3-93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV034161



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Jacqueline Barlow BLDG./UNIT NO: 2203 MODEL NO: 1050

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 9/3, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

BUYER	<u>Ms. Jacqueline Barlow</u>	<u>9-3-93</u>	DATE
BUYER	_____	_____	DATE
BUYER	_____	_____	DATE
BUYER	_____	_____	DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034162

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): HAROLD E BECKLES (u) of 10 NORTH HAWTHORNE LANE
Tel: Res: (201) 484-8645 NEWARK
Bus: () - NJ ,07107.

BERNICE A FULLER (u) of 214 WEST MARKET STREET/APT 1
Tel: Res: (201) 624-0463 NEWARK
Bus: () - NJ ,07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.07
BLDG NO.: 22 , UNIT NO: D1 , MODEL: STH1050-GM >LOWER M.L. M

The PURCHASE PRICE : \$ 61,200.00
Consisting of:
BASE PRICE of MODEL \$ 61,200.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE 30-OCT-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE 30-OCT-1993
	ADDITIONAL DEPOSIT	\$ 836.00	BY DATE 29-NOV-1993
	BALANCE at CLOSING	\$ 59,364.00	PAID by CERTIFIED CHECK
	Total PAYMENT	\$ 61,200.00	

MORTGAGE AMOUNT : \$ 59,350.00 MORTGAGE CONTINGENCY DATE: 29-DEC-1993
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON- YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

[Signature] 11/1/93
(SELLER) DATE

[Signature] 10-30-93
(BUYER) DATE
[Signature] 10-30-93
(BUYER) DATE

(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034189



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Comm. Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of October, 1993.

Buyer: Harold E. Beckler

Lisa M. Weems

Buyer: Bernice A. Faller

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Harold E. Beckler 10-30-93
BUYER DATE

Bernice Faller 10-30-93
BUYER DATE

Wayne Soojian 11/1/93
BY: WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV034193

S U M M A R Y O F B A S I C P R O V I S I O N S

1010

The SELLER: R. HOVNANIAN (NEWARK) URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): HAROLD E. BECKLES (u) of 10 NORTH BAWTHORNE LANE
Tel: Res: (201) 484-8645 NEWARK
Bus: () NJ , 07107.

BERNICE A. FULLER (u) of 214 WEST MARKET STREET/APT 1
Tel: Res: (201) 624-0463 NEWARK
Bus: () NJ , 07103.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.07
BLDG NO.: 22 , UNIT NO. D1 , MODEL: STH1050-GM >LOWER M.L.L. M

The PURCHASE PRICE : \$ 61,200.00
Consisting of:
BASE PRICE of MODEL \$ 61,200.00
The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 30-OCT-1993
ON SIGNED CONTRACT \$ 1,000.00 ON DATE 30-OCT-1993
ADDITIONAL DEPOSIT \$ 836.00 BY DATE 29-NOV-1993
BALANCE at CLOSING \$ 59,364.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 61,200.00

MORTGAGE AMOUNT : \$ 59,350.00 MORTGAGE CONTINGENCY DATE: 29 DEC-1993
Estimated COMPLETION DATE: 15 FEB 1994
BY MON YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

R. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

Harold E. Beckles 10-30-93
(BUYER) DATE
Bernice Fuller 10-30-93
(BUYER) DATE

(SELLER) DATE: (BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGeevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV034195



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Mr. Harold Beckles*

BLDG./UNIT NO: *2201*

MODEL NO: *1050*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *10/30*, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Harold E. Beckles *10-30-93*
BUYER DATE

X
BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034202

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JESSICA P CATWELL (u) of 611 HALSEY STREET
Tel: Res: (718) 452-2109 BROOKLYN
Bus: (718) 361-3700 NY ,11233.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.0B
BLDG NO.: 22 , UNIT NO: D2 , MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 05-FEB-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 05-FEB-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 07-MAR-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 16 MAR 1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034219



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Comm. Expires Sept 1, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 5th day of February, 1994.

Buyer: * Jessica P. Catwell

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

* Jessica P. Catwell 2/5/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 2851
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV034223

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JESSICA P CATWELL (u) of 611 HALSEY STREET
Tel: Res: (718) 452-2109 BROOKLYN
Bus: (718) 361-3700 NY , 11233.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.08
BLOC NO.: 22 , UNIT NO: D2 , MODEL: STU1050-UM UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 05-FEB-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 05-FEB-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 07-MAR-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 16 MAR 1994
Estimated COMPLETION DATE: 15-FEB-1994
BY MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Jessica P. Catwell 2/5/94
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

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SUMMARY OF BASIC PROVISIONS

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The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JESSICA F CATWELL (u) of 611 HALSEY STREET
Tel: Res: (718) 452-2109 BROOKLYN
Bus: (718) 361-3700 NY ,11233.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.04
BLDG NO.: 23 , UNIT NO: B2 , MODEL: STH1050-UM UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 15-JAN-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 15-JAN-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 14-FEB-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CEREIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 16-MAR-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian of Newark
Urban Renewal Corporation III, Inc.

x Jessica Catwelle 1/15/94
(BUYER) DATE

(BUYER) DATE

(SELLER) 1-17-94 DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

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TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 15th day of January, 1994.

Buyer: x Jessica Catruce

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BUYER

DATE

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Mr. J. Catwell* BLDG/UNIT: *23B2* MODEL: STH 1050 UM*
switch
22D2

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 1/15, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

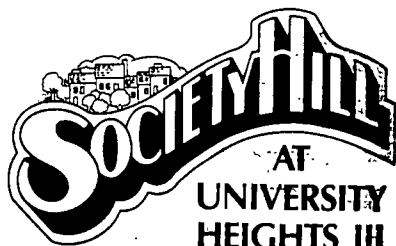
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

x *Jessica Catwell* 1/15/94
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034246

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): BERTHA REED (u) of 101 DAYTON TERRACE/APT 3A
Tel: Res: (201) 242-7384 NEWARK
Bus: (201) 379-9203 NJ ,07114.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.09
BLDG NO.: 22 , UNIT NO: E1 , MODEL: STH1050-GL >LOWER M.L. L

The PURCHASE PRICE : \$ 33,700.00
Consisting of:
BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS :	INITIAL DEPOSIT	\$ 0.00	ON DATE	20-NOV-1993
	ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	20-NOV-1993
	ADDITIONAL DEPOSIT	\$ 11.00	BY DATE	20-DEC-1993
	BALANCE at CLOSING	\$ 32,689.00	PAID by	CERTIFIED CHECK
	Total PAYMENT	\$ 33,700.00		

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 19-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034272



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 20th day of November, 1993.

Buyer: x Bertha Reed

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

x Bertha Reed 11/20/93
BUYER DATE

BUYER DATE

BY: Wayne S. Scollan 11.22.93
WAYNE SCOLLAN
DIRECTOR OF MARKETING AND SALES DATE

KHOV034276

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): BERTHA REED (u) of 101 DAYTON TERRACE/APT 3A
Tel: Res: (201) 242-7384 NEWARK
Bus: (201) 379-9203 NJ 07114.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 22.09
BLDG NO: 22 , UNIT NO: E1 , MODEL: STH1050-GL > LOWER M.L. L

The PURCHASE PRICE: \$ 33,700.00

Consisting of:

10. BASE PRICE of MODEL	\$ 33,700.00
11. INITIAL DEPOSIT	\$ 1,000.00 ON DATE 20-NOV-1993
12. SIGNING CONTRACT	\$ 1,000.00 ON DATE 20-NOV-1993
13. ADDITIONAL DEPOSIT	\$ 11.00 BY DATE 20-DEC-1993
14. BALANCE at CLOSING	\$ 32,689.00 PAID by CERTIFIED CHECK
15. Total PAYMENT	\$ 33,700.00

MORTGAGE AMOUNT: \$ 32,650.00

MORTGAGE CONTINGENCY DATE: 19-JAN-1994

Estimated COMPLETION DATE: 15-FEB-1994

DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

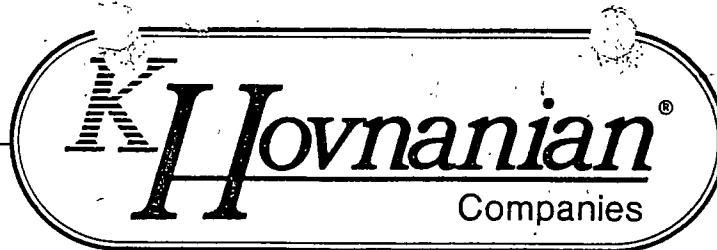
The BROKER: Landarama, Inc.

Attn: H. Michael McGreevey

10 Highway 35, P.O. Box 500

Red Bank, NJ 07701

KHOV034287



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ms. Reed* BLDG./UNIT NO: *22E1* MODEL NO: *1050*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *11/30*, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Bertha Reed *11/20/93*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034288

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): EVELYN A. SYKES (u) of 220 12TH AVENUE/2ND FLOOR
Tel: Res: (201) 621-8573 NEWARK
Bus: (201) 982-5761 NJ 07107.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.10
BLDG NO.: 22 , UNIT NO: E2 , MODEL: STH1050-UL UPPER M.L. I.

The PURCHASE PRICE : \$ 38,700.00
Consisting of:
BASE PRICE of MODEL \$ 38,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 20-NOV 1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 20-NOV-1993
ADDITIONAL DEPOSIT \$ 161.00 BY DATE 20-DEC-1993
BALANCE at CLOSING \$ 37,539.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 38,700.00

MORTGAGE AMOUNT : \$ 37,500.00 MORTGAGE CONTINGENCY DATE: 19-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034312



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights' III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage, title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers' check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to: change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of November, 1993.

Buyer:

* Evelyn Sykes

Lisa M. Weems

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

DATE

* Evelyn Sykes

11 20 93

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:

Wayne Soojian
WAYNE SOOJIAN
DIRECTOR OF MARKETING AND SALES

11-22-93
DATE

KHOV034316

SUMMARY OF BASIC PROVISIONS

af

The PROJECT KHOVNANTIAN CREWELLER TRB FEDERAL CORP located at:
 10 HIGH 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07701

The BUYER(S): EVELYN A SYKES (W) at 220 LEXI AVENUE/2ND FLOOR
 NEWARK
 NJ 07102

Tel: (201) 641 1977
 Home: (201) 982 5761

Will occupy the Premises as a Primary Residence upon closing on 11/16/93

The PROPERTY: PROJECT SOCIETY HILL COURT, HEIGHTS 111 E20
 NEWARK, NEW JERSEY.
 BLOCK NO: 400 LOT NO: 22.10
 BLDG NO: 22 UNIT NO: 22.10 MODEL: 1711050 DL JUPITER B.L. 1

The PURCHASE PRICE: \$ 38,700.00
 Consisting of:
 BASE PRICE of MODEL \$ 38,700.00

104 Callahan

The PAYMENT TERMS:

INITIAL DEPOSIT	\$ 0.00	ON DATE	20 NOV 1993
ON SIGNING CONTRACT	\$ 1,000.00	ON DATE	20 NOV 1993
ADDITIONAL DEPOSIT	\$ 161.00	BY DATE	20 DEC 1993
BALANCE AT CLOSING	\$ 37,539.00	PAID BY	CERTIFIED CHECK
Total PAYMENT	\$ 38,700.00		

MORTGAGE AMOUNT: \$ 37,500.00 MORTGAGE CONTINGENCY DATE: 11 JAN 1994
 Estimated COMPLETION DATE: 15 FEB 1994
 BY MONTH YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

P. Khovnantian at Newark
 Urban Renewal Corporation LLC, Inc.

Evelyn Sykes 11-20-93
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE
 (BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landacoma, Inc.
 Attn: R. Michael McCrevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ms. Sykes*

BLDG./UNIT NO: *22E7*

MODEL NO: *1050*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *11/20*, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Evelyn Sykes *11-20-93*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034328

g/b

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840. 84

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WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 22.11
BLDG NO.: 22 UNIT NO: F1 MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

| | | | | |
|---------------------|---------------------|--------------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE | 09-AUG-1994 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE | 09-AUG-1994 |
| | ADDITIONAL DEPOSIT | \$ 1,908.50 | BY DATE | 08-SEP-1994 |
| | BALANCE at CLOSING | \$ 94,041.50 | PAID by | CERTIFIED CHECK |
| | ----- | | | |
| | Total PAYMENT | \$ 96,950.00 | | |

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 08-OCT-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) _____ DATE _____

(BUYER) _____ DATE _____

(BUYER) _____ DATE _____

(BUYER) _____ DATE _____

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

[illegible]

KHOV034360

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ELAINE M INGRAM (u) of 15 WOLF PLACE
Tel: Res: (201) 373-4179 IRVINGTON
Bus: (212) 264-5480 NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.11
BLDG NO.: 22 , UNIT NO: F1 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-AUG-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-AUG-1994
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 08-SEP-1994
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 08-OCT-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) 8/9/94 DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034361



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Elaine M. Dyer*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Elaine M. Dyer 8/9/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *Paul K. Hovnanian* 8/12/94
DATE

KHOV034365

gub

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: F1

The Purchase Agreement Between Elaine M Ingram, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 8/9/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,416.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,416.30
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,500.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,861.30
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

8/9/94

BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KH0V034378

SUB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Elaine M. Ingram
_____, BUYER

UNIT F1, BUILDING 82, PURCHASE AGREEMENT DATE 8/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH K. HOVNANIAN MORTGAGE, INC.; IF BUYER SUBSEQUENTLY
CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER
31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Elaine M. Ingram
BUYER _____ DATE 8/9/94

BUYER _____ DATE _____

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV034379

gub

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: F1

The Purchase Agreement Between Elaine M Ingram, BUYER(S)

_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 8/9/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,416.30

2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00

3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,416.30

4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,500.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE

\$ 97,861.30.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

8/9/94
DATE

Elaine M Ingram
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: _____
"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV034383

SUB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Elaine M. Ingram

_____, BUYER

UNIT F1, BUILDING 32, PURCHASE AGREEMENT DATE 5/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH K. HOVNANIAN MORTGAGE, INC.; IF BUYER SUBSEQUENTLY CLOSSES WITH THE MORTGAGE AND CLOSSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Elaine M. Ingram
BUYER

5/10/94
DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: _____

LAURA VANVELTHOVEN
SALES MANAGER

KHOV034384

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ELAINE M INGRAM (u) of 15 WOLF PLACE
Tel: Res: (201) 373-4179 IRVINGTON
Bus: (212) 264-5480 NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.11
BLDG NO.: 22 , UNIT NO: F1 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-AUG-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-AUG-1994
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 08-SEP-1994
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK

Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 08-OCT-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Elaine M Ingram 8/9/94
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034385

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ELAINE M INGRAM (u) of 15 WOLF PLACE
Tel: Res: (201) 373-7179 IRVINGTON
Bus: (212) 264-5480 NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 24
BLDG NO.: 24 , UNIT NO: K1 , MO: STH1150-G)LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 08-AUG-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-AUG-1994
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 07-SEP-1994
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 07-OCT-1994
Estimated COMPLETION DATE: 20-FEB-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

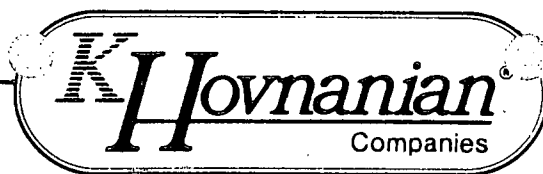
Elaine M Ingram 8/8/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034386



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 8th day of August, 1994.

Buyer: *Chaine M. Ingram*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Chaine M. Ingram 8/8/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY: _____ DATE _____

KHOV034390

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN GENEARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): ELAINE M INGRAM (W) of 15 WOLF PLACE
Tel: Res: (201) 373-7179 IRVINGTON
Bus: (212) 264-5480 NJ 07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 24.21
BLDG NO: 24 UNIT NO: K1 MODEL: STH1150-G TOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 08-AUG-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-AUG-1994
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 07-SEP-1994
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 07-OCT-1994
Estimated COMPLETION DATE: 20-FEB-1993
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

(BUYER) *Elaine Ingram 8/8/94* DATE

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV034393



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ms. Ingram*

BLDG/UNIT: *24K1*

MODEL: *1150*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *8/8*, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

| | | |
|----------|---------------------|---------------|
| <i>x</i> | <i>Elaine Dwyer</i> | <i>8/8/94</i> |
| BUYER | | DATE |
| BUYER | | DATE |
| BUYER | | DATE |
| BUYER | | DATE |



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034395



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Ingram

BLDG/UNIT: 22F1

MODEL: N50

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 8/9, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Elaine M. Ingram 8/9/94
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034397

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: F3

The Purchase Agreement between Claudette V. Ailey BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 12/31/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,488.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,194.66
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,294.04
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 81,550.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,993.70.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/31/93
DATE

Claudette V. Ailey
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034402

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: F2

The Purchase Agreement between Claudette V. Ailey BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,488.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,136.16
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,352.54
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 81,550.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,993.70
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/5/93
DATE

Claudette V Ailey
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Sorian
WAYNE SORIAN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034404

PROJECT : IN - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 05-DEC-1993

BLDG NO: 22 UNIT: E2

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY

MODEL : STM1150-U 20P

CONTRACT DATE: 03-dec-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|------------------------|--------------|----------------------|------------|--------|----------|-----------|
| 01-----APPLIANCES----- | | | | | | |
| AUX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | SSB500 | ALMOND | ALMOND | 340.00 CM |
| AEK01 | REFRIGERATOR | 18.2 CF REFRIGERATOR | FBX18DAS | ALMOND | ALMOND | 620.00 |
| AM500 | RANGE HOOD | STANDARD RANGE HOOD | JK322 | ALMOND | ALMOND | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | J6PC15GE | ALMOND | ALMOND | 0.00 |
| WAX02 | WASHER | WASHER SUPER CAPACIT | WMA8G20R | WHITE | WHITE | 500.00 |
| AYX02 | DRYER | DRYER 5 CYCLE | XTRD0G7600 | WHITE | WHITE | 375.00 |

| | | | | | | |
|----------------------|---------------------|---------------------|-------|----------------|--|-----------|
| 02-----CABINETS----- | | | | | | |
| KCU01 | KITCHEN CABINETS | NATURAL LITE | | | | 675.00 CM |
| KIS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | D30-6 | NATURAL ALMOND | | 0.00 |

| | | | | | | |
|----------------------|---------------------------------|----------|----|----------|------------------|------------|
| 03-----FLOORING----- | | | | | | |
| Zone: 01 | 2ND FLOOR CARPETING | COLOSSAL | 45 | 39.33 SY | G335 FAIRIE DUST | FCC0101A02 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL CARPETING | COLOSSAL | 45 | 75.67 SY | G333 FAIRIE DUST | FCC0102A02 |
| Zone: 03 | KITCHEN LINOLEUM FLOORING | STARSTEP | | 19 SY | G4602 | FLC0103A02 |

Package includes UPGRADE Padding in carpeted areas

| | | | | | | |
|-------|----------------------------------|--|--|--|--|------------|
| AFSC1 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 1748.70 CM |
|-------|----------------------------------|--|--|--|--|------------|

| | | | | | | |
|----------------------------------|--------------|---------------------|------------|------|--|-----------|
| 04-----SELECTIONS: INTERIOR----- | | | | | | |
| MBS01 | BIFOLD DOORS | MASTER BEDROOM | STD BIFOLD | 4'0" | | 0.00 |
| MBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | STDBIFOLD | 4'0" | | 0.00 |
| MBS04 | BIFOLD DOORS | 2ND FLOOR LINEN | STDBIFOLD | 3'0" | | 0.00 |
| MBUC0 | BIFOLD DOORS | LIVING ROOM STORAGE | SI-BIFOLD | 4'0" | | 140.00 CM |
| MBUC2 | BIFOLD DOORS | BEDROOM #2 | SI-BIFOLD | 4'0" | | 140.00 CM |

3%

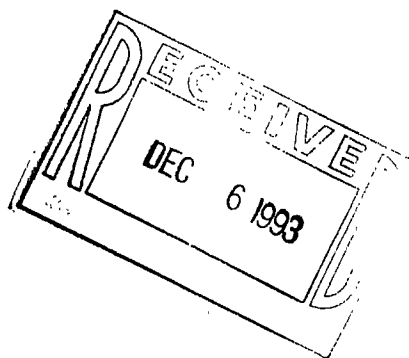
Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of (10%) at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : **Claudette V. Ailey*
 PURCHASER :
 DATE : **12/5/93*

GRAND TOTAL \$ 4538.70
 Incl. mortg. Sel \$ 3042.70

SALES REP : *Jim Weems*
 SALES REP : *Gregory Rabon 12-6-93*
 CONST. REP : *12-7-93*

AMOUNT DUE NOW \$ 136.16
 AMOUNT PAID NOW \$ 136.16 "CM"
 AMOUNT DUE AT CLOS \$ 4402.54



KH0V034405

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 05-DEC-1993

BLDG NO: 22 UNIT: F2
MODEL : SH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY
CONTRACT DATE: 03-dec-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|----------------------------------|----------------------|------------|----------|------------------|------------|
| 01---APPLIANCES--- | | | | | | |
| ADX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GSD500 | ALMOND | ALMOND | 340.00 <M |
| AFX01 | REFRIGERATOR | 18.2 CF REFRIGERATOR | IBX180AS | ALMOND | ALMOND | 620.00 |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | ALMOND | ALMOND | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGBC158E | ALMOND | ALMOND | 0.00 |
| AWX02 | WASHER | WASHER SUPER CAPACIT | WWAB620R | WHITE | WHITE | 500.00 |
| AYX02 | DRYER | DRYER 5 CYCLE | XTR00G7680 | WHITE | WHITE | 375.00 |
| 02---CABINETS--- | | | | | | |
| KCU01 | KITCHEN CABINETS | NATURAL LITE | | | | 675.00 <M |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | D30-6 | NATURAL ALMOND | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR CARPETING | COLOSSAL | 45 | 39.33 SY | 6333 FAIRIE DUST | ECC0101A02 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL CARPETING | COLOSSAL | 45 | 75.67 SY | 6333 FAIRIE DUST | ECC0102A02 |
| Zone: 03 | KITCHEN LINOLEUM FLOORING | STARSTEP | | 19 SY | 64602 | ELC0103A02 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| KFS01 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 1748.70 <M |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| NBS01 | BIFOLD DOORS | MASTER BEDROOM | STD BIFOLD | 4'0" | | 0.00 |
| NBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | STDBIFOLD | 4'0" | | 0.00 |
| NBS04 | BIFOLD DOORS | 2ND FLOOR LINEN | STDBIFOLD | 3'0" | | 0.00 |
| NBU00 | BIFOLD DOORS | LIVING ROOM STORAGE | NI-BIFOLD | 4'0" | | 140.00 <M |
| NBU02 | BIFOLD DOORS | BEDROOM #2 | NI-BIFOLD | 4'0" | | 140.00 <M |

37.

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Claudette V. Ailey*
PURCHASER :
DATE : *12/15/93*

GRAND TOTAL \$ 4538.70
Incl. Mortg. Sel \$ 3043.70

AMOUNT DUE NOW \$ 136.16
AMOUNT PAID NOW \$ 136.16 "CK"

SALES REP : *Jim Weems*
SALES MGR : *Robert Rabon 12-6-93*
CONST. MGR : *12-7-93*

AMOUNT DUE AT CLOS \$ 4402.54

KHOV034406

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 03-DEC-1993

BLOG NO: 22 UNIT: F2
MODEL : STH150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY
CONTRACT DATE: 03-dec-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|----------------------------------|----------------------|------------|----------|------------------|------------|
| 01-----APPLIANCES----- | | | | | | |
| ADX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GSD50Q | ALMOND | ALMOND | 340.00 <H |
| AEK01 | REFRIGERATOR | 18.2 CF REFRIGERATOR | IBX18DAS | ALMOND | ALMOND | 620.00 |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | ALMOND | ALMOND | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGBCL50E | ALMOND | ALMOND | 0.00 |
| AWK02 | WASHER | WASHER SUPER CAPACIT | WUAB620R | WHITE | WHITE | 500.00 |
| AYX02 | DRYER | DRYER 5 CYCLE | XTRDDG768G | WHITE | WHITE | 375.00 |
| 02-----CABINETS----- | | | | | | |
| KCH01 | KITCHEN CABINETS | NATURAL LITE | | | | 675.00 <H |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | D30-6 | NATURAL ALMOND | 0.00 |
| 03-----FLOORING----- | | | | | | |
| Zone: 01 | 2ND FLOOR CARPETING | COLOSSAL | 45 | 39.33 SY | 6333 FAIRIE DUST | FCC0101A02 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL CARPETING | COLOSSAL | 45 | 75.67 SY | 6333 FAIRIE DUST | FCC0102A02 |
| Zone: 03 | KITCHEN LINOLEUM FLOORING | STARSTEP | | 19 SY | 64602 | FLC0103A02 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XFS01 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 1748.70 <H |
| 04-----SELECTIONS: INTERIOR----- | | | | | | |
| NBS01 | BIFOLD DOORS | MASTER BEDROOM | STD BIFOLD | 4'0" | | 0.00 |
| NBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | STDBIFOLD | 4'0" | | 0.00 |
| NBS04 | BIFOLD DOORS | 2ND FLOOR LINEN | STDBIFOLD | 3'0" | | 0.00 |
| NBU00 | BIFOLD DOORS | LIVING ROOM STORAGE | NI-BIFOLD | 4'0" | | 140.00 <H |
| NBU02 | BIFOLD DOORS | BEDROOM #2 | NI-BIFOLD | 4'0" | | 140.00 <H |

37.

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Claudette V. Haley
PURCHASER :
DATE : 12/5/93GRAND TOTAL \$ 4538.70
Incl. Mortg. Sel \$ 3043.70SALES REP : Jim Weems
SALES MGR : Gregory Rabon 12-6-93
CONST. MGR : 12-7-93AMOUNT DUE NOW \$ 136.16
AMOUNT PAID NOW \$ 136.16 "CK"
AMOUNT DUE AT CLOS \$ 4402.54

KHOV034407

PROJECT : IV - SOLICITY HILL @ UNIV. HEIGHTS III E&C

Printed: 03-DEC-1993

BLDG NO: 22 UNIT: F2
MODEL : STM1150-U MUR

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY
CONTRACT DATE: 03-dec-1993

| SELECTION-NO | A | DESCRIPTION | A | MODEL | SIZE | A | COLOR | A | COMMENTS | PRICE |
|------------------------|---|--------------|----------------------|------------|------|--------|--------|---|----------|-----------|
| 01-----APPLIANCES----- | | | | | | | | | | |
| ADK01 | | DISHWASHER | 1ST LEVEL 3 CYCLE | QSD500 | | ALMOND | ALMOND | | | 340.00 <H |
| AEK01 | | REFRIGERATOR | 18.2 CF REFRIGERATOR | IBX18DAS | | ALMOND | ALMOND | | | 620.00 |
| ARS00 | | RANGE HOOD | STANDARD RANGE HOOD | JN322 | | ALMOND | ALMOND | | | 0.00 |
| ARS00 | | RANGE | STANDARD RANGE | JGBC156E | | ALMOND | ALMOND | | | 0.00 |
| AMK02 | | WASHER | WASHER SUPER CAPACIT | WMABG30R | | WHITE | WHITE | | | 500.00 |
| AYK02 | | DRYER | DRYER 3 CYCLE | ATRD087680 | | WHITE | WHITE | | | 375.00 |

02-----CABINETS-----

| | | | | | | | | | | |
|-------|--|---------------------|---------------------|--|-------|----------------|--|--|--|-----------|
| KCK01 | | KITCHEN CABINETS | NATURAL LITE | | | | | | | 675.00 <H |
| KTS00 | | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | D30-6 | NATURAL ALMOND | | | | 0.00 |

03-----FLOORING-----

| | | | | | | | | | |
|----------|-----------------------|-------------------|----------|----|----------|-------|-------------|------------|--|
| Zone: 01 | 2ND FLOOR | CARPETING | COLOSSAL | 45 | 39.33 SY | 6333 | FAIRIE DUST | ECC0101A02 | |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | CARPETING | COLOSSAL | 45 | 75.67 SY | 6333 | FAIRIE DUST | ECC0102A02 | |
| Zone: 03 | KITCHEN | LINOLEUM FLOORING | STADSTEP | | 19 SY | 64602 | | ELC0103A02 | |

Package includes UPGRADE Padding in carpeted areas

| | | | | | | | | | | |
|-------|--|----------------------------------|--|--|--|--|--|--|--|------------|
| AFS01 | | FLOORING PACKAGES -- STD. LAYOUT | | | | | | | | 1748.70 <H |
|-------|--|----------------------------------|--|--|--|--|--|--|--|------------|

04-----SELECTIONS: INTERIOR-----

| | | | | | | | | | | |
|-------|--|--------------|---------------------|------------|------|--|--|--|--|-----------|
| ABF01 | | BIFOLD DOORS | MASTER BEDROOM | STD BIFOLD | 4'0" | | | | | 0.00 |
| ABF03 | | BIFOLD DOORS | 2ND FLOOR STORAGE | STD BIFOLD | 4'0" | | | | | 0.00 |
| ABF04 | | BIFOLD DOORS | 2ND FLOOR LINEN | STD BIFOLD | 3'0" | | | | | 0.00 |
| ABF06 | | BIFOLD DOORS | LIVING ROOM STORAGE | HI-BIFOLD | 4'0" | | | | | 140.00 <H |
| ABF02 | | BIFOLD DOORS | BEDROOM #2 | HI-BIFOLD | 4'0" | | | | | 140.00 <H |

376

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Claudette V. Hickey
 PURCHASER :
 DATE : 12/15/93

GRAND TOTAL \$ 4538.70
 Incl. Mortg. Sel \$ 3043.70

SALES REP : Jim Weems
 SALES GRN : Clayton Rabin 12-6-93
 CONST. MGR : 12-7-93

AMOUNT DUE NOW \$ 136.16
 AMOUNT PAID NOW \$ 136.16 "CK"
 AMOUNT DUE AT CLOS \$ 4402.54

KHOV034408

PROJECT : IN - SOCIETY HILL 9 UNIT, WEIGHS III E&C

Printed: 03-DEC-1993

BLDG NO: 22 UNIT: F2
MODEL : STM1150-U RHP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY
CONTRACT DATE: 03-dec-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--------------|-------------|-------|------|-------|----------|-------|
|--------------|-------------|-------|------|-------|----------|-------|

01---APPLIANCES---

| | | | | | | |
|-------|--------------|----------------------|-----------|--------|--------|-----------|
| AKX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | 09D509 | ALMOND | ALMOND | 340.00 CH |
| AKX01 | REFRIGERATOR | 18.2 CF REFRIGERATOR | IBX10045 | ALMOND | ALMOND | 620.00 |
| ARS00 | RANGE HOOD | STANDARD RANGE HOOD | JH322 | ALMOND | ALMOND | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGHC156E | ALMOND | ALMOND | 0.00 |
| AWX02 | WASHER | WASHER SUPER CAPACIT | UWAGG30P | WHITE | WHITE | 500.00 |
| AWX02 | DYER | DYER 3 CYCLE | XTRD67680 | WHITE | WHITE | 375.00 |

02---CABINETS---

| | | | | | | |
|-------|---------------------|---------------------|--|-------|----------------|-----------|
| KCM01 | KITCHEN CABINETS | NATURAL LITE | | | | 675.00 CH |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | D30-6 | NATURAL ALMOND | 0.00 |

03---FLOORING---

| | | | | | | |
|----------|-----------------------|----------|-------|----------|------|-------------|
| Zone: 01 | 2ND FLOOR | | | | | |
| | CARPETING | COLUSSAL | 45 | 39.33 ST | 6333 | FAIRTA DUST |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | |
| | CARPETING | COLUSSAL | 45 | 75.67 ST | 6333 | FAIRTA DUST |
| Zone: 03 | KITCHEN | | | | | |
| | LINOLEUM FLOORING | STAYSTEP | 19 ST | 64602 | | ELC0103A02 |

Package includes UPGRADE Padding in carpeted areas

| | | | | | | |
|-------|----------------------------------|--|--|--|--|------------|
| KFB01 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 1748.70 CH |
|-------|----------------------------------|--|--|--|--|------------|

04---SELECTIONS: INTERIOR---

| | | | | | | |
|-------|--------------|---------------------|------------|------|--|-----------|
| HBS01 | BIFOLD DOORS | MASTER BEDROOM | STD BIFOLD | 4'0" | | 0.00 |
| HBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | STDBIFOLD | 4'0" | | 0.00 |
| HBS04 | BIFOLD DOORS | 2ND FLOOR LKIN | STDBIFOLD | 3'0" | | 0.00 |
| HBU00 | BIFOLD DOORS | LIVING ROOM STORAGE | HI-BIFOLD | 4'0" | | 140.00 CH |
| HBU02 | BIFOLD DOORS | BEDROOM #2 | HI-BIFOLD | 4'0" | | 140.00 CH |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : William H. Ailey
 PUBLISHER :
 DATE : 12/15/93

GRAND TOTAL \$ 4538.70
 Incl. Mortg. Sel \$ 3043.20

AMOUNT DUE NOW \$ 136.16
 AMOUNT PAID NOW \$ 136.16 "CH"

SALES REP : Jim Weems
 SALES REP : Quincy P. Rabin 12-6-93
 CONST. NO. : 12-7-93

AMOUNT DUE AT CLOS \$ 4402.54

KHOV034409

ILLINOIS HANDBOOK-NEW RENEWAL CORP. PROJECT : IN - SOCIETY HILL 9 UNIT, HEIGHTS III ETC

0.9.00 : 54-38-11
Printed: 03-08-1993

BLDG NO: 22 UNIT: 22
MODEL : SM1150-01 200

ALL DECORATION SELECTIONS, OPTIONS & UPGRADES ARE

BUYER : AILEY
CONTRACT DATE: 03-08-1993

SELECTION-NO DESCRIPTION MODEL SIZE COLOR COMMENTS PRICE

01---APPLIANCES---

| | | | | | | | |
|-------|--------------|----------------------|-----------|--------|--------|--|-----------|
| ADK01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GS8500 | ALMOND | ALMOND | | 340.00 CH |
| AFK01 | REFRIGERATOR | 10.2 CY REFRIGERATOR | IBX100AS | ALMOND | ALMOND | | 620.00 |
| AMS00 | RANGE HOOD | STANDARD RANGE HOOD | JH222 | ALMOND | ALMOND | | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | 306C158E | ALMOND | ALMOND | | 0.00 |
| AMK02 | WASHER | WASHER 300P CAPACITY | WMW6200 | WHITE | WHITE | | 500.00 |
| ATK02 | DRYER | DRYER 3 CYCLE | ATP067600 | WHITE | WHITE | | 375.00 |

02---CABINETS---

| | | | | | | | |
|-------|---------------------|---------------------|--|-------|----------------|--|-----------|
| KCK01 | KITCHEN CABINETS | NATURAL LITE | | | | | 675.00 CH |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 030-6 | NATURAL ALMOND | | 0.00 |

03---FLOORING---

| | | | | | | | |
|----------|-----------------------|----------|-------|----------|------|-------------|------------|
| Zone: 01 | 2ND FLOOR | | | | | | |
| | CARPETING | COLLUSAL | 35 | 39.23 ST | 6333 | FAIRIE DUST | FCC0101A03 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | | |
| | CARPETING | COLLUSAL | 45 | 75.67 ST | 6333 | FAIRIE DUST | FCC0103A03 |
| Zone: 03 | KITCHEN | | | | | | |
| | LINOLUM FLOORING | STAPSTEP | 19 ST | 64692 | | | FCC0103A02 |

Package includes UPGRADE padding in carpeted areas

| | | | | | | | |
|-------|----------------------------------|--|--|--|--|--|------------|
| XP301 | FLOORING PACKAGES -- STD. LAYOUT | | | | | | 1740.70 CH |
|-------|----------------------------------|--|--|--|--|--|------------|

04---SELECTIONS: INTERIOR---

| | | | | | | | |
|-------|--------------|---------------------|------------|------|--|--|-----------|
| MS001 | BIFOLD DOORS | MASTER BEDROOM | STD BIFOLD | 4'0" | | | 0.00 |
| MS003 | BIFOLD DOORS | 2ND FLOOR STORAGE | STD BIFOLD | 4'0" | | | 0.00 |
| MS005 | BIFOLD DOORS | 2ND FLOOR LINEN | STD BIFOLD | 3'0" | | | 0.00 |
| MS006 | BIFOLD DOORS | LIVING ROOM STORAGE | HI-BIFOLD | 4'0" | | | 140.00 CH |
| MS007 | BIFOLD DOORS | BEDROOM #2 | HI-BIFOLD | 4'0" | | | 140.00 CH |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

| | | | |
|--------------------------------------|--------------------|---|-------------|
| PURCHASER : <u>William F. Vetter</u> | GRAND TOTAL | 4 | 8530.70 |
| PLUMBER : <u>Ray C. Ellis</u> | Incl. Mortg. Sel | 4 | 3040.70 |
| DATE : <u>12/10/93</u> | | | |
| SALES REP : <u>Jim W. Wynn</u> | AMOUNT DUE NOW | 1 | 136.16 |
| SALES REP : <u>Jim W. Wynn</u> | AMOUNT PAID NOW | 4 | 136.16 "CH" |
| CUST. REP : <u>Jim W. Wynn</u> | AMOUNT DUE AT CLOS | 4 | 4402.54 |

KHOV034410

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): CLAUDETTE V AILEY (M) of 1411 GRAND CONCOURSE/APT 2D
Tel: Res: (718) 588-4570 BRONX
Bus: (212) 876-8000 NY ,10452.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.12
BLDG NO.: 22 , UNIT NO: F2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 03-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 03-DEC-1993
ADDITIONAL DEPOSIT \$ 2,058.50 BY DATE 02-JAN-1994
BALANCE at CLOSING \$ 98,891.50 PAID by CERTIFIED CHECK
Total PAYMENT \$101,950.00

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 01-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Claudette V Ailey 12/3/93
(BUYER) DATE

(BUYER) DATE

[Signature] 12-10-93
(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034434



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of December, 1993.

Buyer: *Claudette V Ailey*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Claudette V Ailey 12/3/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY: *Wayne Soojian* 12-10-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

SUMMARY OF BASIC PROVISIONS

1019

The SELLER: R. HOVNANIAN NEWARK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): CLAUDETTE V AILEY (M) of 1411 GRAND CONCOURSE/APT 20
Tel: Res: (718) 588-4570 BRONX
Bus: (212) 876-8000 NY, 10452.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ETC
NEWARK, NEW JERSEY.

BLOCK NO: 406, LOT NO: 22.12
BIDD NO.: 22, UNIT NO: F2, MODEL: FTH1150-U SUPPER

The PURCHASE PRICE: \$101,950.00
Consisting of:
BASE PRICE of MODEL: \$101,950.00

108 Callahan Ct.

The PAYMENT TERMS:
INITIAL DEPOSIT \$ 0.00 ON DATE 03-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 03 DEC 1993
ADDITIONAL DEPOSIT \$ 2,058.50 BY DATE 02-JAN-1994
BALANCE at CLOSING \$ 98,891.50 PAID by CERTIFIED CHECK
Total PAYMENT \$101,950.00

MORTGAGE AMOUNT: \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 01 FEB-1994
Estimated COMPLETION DATE: 15 FEB-1994
DY-MON- YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

R. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Claudette V Ailey 12/3/93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034441



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mrs. Ailey

BLDG./UNIT NO: 22F2

MODEL NO: 1150

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12/3, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

* Claudette V Ailey 12/3/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034442

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Jacqueline A. Shervington

_____, BUYER

UNIT G1, BUILDING 22, PURCHASE AGREEMENT DATE 02-Nov-1993

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNIANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSES ON THE SAID MORTGAGE AND CLOSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

X Jacqueline A. Shervington 11/6/93
BUYER

DATE

THIS AMENDMENT WILL
SUPERSEDE AND TERMINATE
THE PREVIOUS ADDENDUM DATED

BUYER

DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: Wayne Soojian

WAYNE SOOJIAN,
DIRECTOR OF SALES AND MARKETING

KHOV034447

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: G1

The Purchase Agreement between Jaqueline A. Shervington BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 11-2-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,681.16
2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3170.43
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,510.73
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,866.16.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE 11/12/93

Jaqueline A. Shervington
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian

WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034449

XYZ

K. HOVNANIAN BULKWARE-UPR RENEWAL CORP III
PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E3C

D.S.No : IW-22-61
Printed: 17-NOV-1993

BLDG NO: 21 UNIT: 01
MODEL : STM1330-G >LO

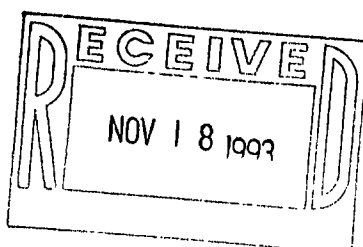
*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SHERVINGTON
CONTRACT DATE: 02-nov-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|----------|-------------------|------------|
| 01----APPLIANCES----- | | | | | | |
| ADY01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GSD500 | ALMOND | ALMOND | 340.00 CM |
| AMS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | ALMOND | ALMOND | 0.00 CM |
| ARS00 | RANGE | STANDARD RANGE | J5BC15GE | ALMOND | ALMOND | 0.00 CM |
| AWX01 | WASHER | WASHER LG CAPACITY | WVA5600 | WHITE | WHITE | 470.00 CM |
| AYX01 | DRYER | DRYER 4 CYCLE | XTRDUG5980 | WHITE | WHITE | 345.00 CM |
| 02----CABINETS----- | | | | | | |
| KCS00 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 CM |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 4143-6 | NEUTRAL GLACE | 0.00 CM |
| 03----FLOORING----- | | | | | | |
| Zone: 01 | 2ND FLOOR | | | | | |
| | CARPETING | VERSAILITY | 26 | 60.0 SY | G211 MELLOW BEIGE | FCC0101A00 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | |
| | CARPETING | VERSAILITY | 26 | 78.0 SY | G211 MELLOW BEIGE | FCC0102A00 |
| Zone: 03 | KITCHEN/ENTRY | | | | | |
| | LINOLEUM FLOORING | CAMBRAY | | 17.67 SY | G8505 | FLC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XFS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 576.16 CM |
| 04----SELECTIONS: INTERIOR-- | | | | | | |
| MBS01 | BIFOLD DOORS | DR, LEFT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 CM |
| MBS02 | BIFOLD DOORS | DR, RIGHT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 CM |
| MSS01 | SLIDER DOORS | WSTR BR STD SLIDER | STD SLIDER | 3'0" | | 0.00 CM |
| MSS02 | SLIDER DOORS | BR #1 STD SLIDER | STD SLIDER | 4'0" | | 0.00 CM |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

| | | | |
|--------------------------------|--------------------|----|------------|
| PURCHASER: <i>[Signature]</i> | GRAND TOTAL | \$ | 1731.16 |
| PURCHASER: <i>[Signature]</i> | Incl. Mortg. Sel | \$ | 1731.16 |
| DATE: 11-17-93 | AMOUNT DUE NOW | \$ | 51.93 |
| SALES REP: <i>[Signature]</i> | AMOUNT PAID NOW | \$ | 51.93 "CK" |
| SALES MGR: <i>[Signature]</i> | AMOUNT DUE AT CLOS | \$ | 1679.23 |
| CONST. MGR: <i>[Signature]</i> | | | |



KHOV034450

777

K.ROMANIAN CHURCH-APP RENOVATION CORP III
PROJECT : IN - SOCIETY HILL C UNIV. HEIGHTS III E&C

D.S.No : IN-22-01
Printed: 17-NOV-1993

BLDG NO: 01 UNIT: 01
MODEL : STM1330-G >LO

*** DECORATION SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SHERVINGTON
CONTRACT DATE: 02-nov-1993

| SELECTION-NO | A | DESCRIPTION | A | MODEL | SIZE | A | COLOR | A | COMMENTS | PRICE |
|--|---|--------------------------------------|---|----------------------|-----------------|----------|---------------|--------------|------------|--------|
| 01----APPLIANCES----- | | | | | | | | | | |
| ANX01 | | DISHWASHER | | 1ST LEVEL 3 CYCLE | GB0500 | | ALMOND | ALMOND | | 340.00 |
| AMS00 | | RANGE HOOD | | STANDARD RANGE HOOD | UN322 | | ALMOND | ALMOND | | 0.00 |
| ARS00 | | RANGE | | STANDARD RANGE | 59015GE | | ALMOND | ALMOND | | 0.00 |
| AWX01 | | WASHER | | WASHER LG CAPACITY | 24A5600 | | WHITE | WHITE | | 470.00 |
| AYX01 | | DRYER | | DRYER 4 CYCLE | XTRDUG5980 | | WHITE | WHITE | | 345.00 |
| 02----CABINETS----- | | | | | | | | | | |
| KCS00 | | KITCHEN CABINETS | | ALTON LINE | | | | | | 0.00 |
| KTS00 | | KITCHEN COUNTERTOPS | | STANDARD COUNTERTOP | | 4143-6 | NEUTRAL GLACE | | | 0.00 |
| 03----FLOORING----- | | | | | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | | | | | |
| | | CARPETING | | VERSATILITY | 26 | 60.0 SY | 6211 | MELLOW BEIGE | ECC0101400 | |
| Zone: 02 1ST FLOOR STAIRS/HALL | | | | | | | | | | |
| | | CARPETING | | VERSATILITY | 26 | 78.0 SY | 6211 | MELLOW BEIGE | ECC0103A00 | |
| Zone: 03 KITCHEN/ENTRY | | | | | | | | | | |
| | | LINOLEUM FLOORING | | CAMBAY | | 17.67 SY | 68505 | | ELC0103A00 | |
| Package includes UPGRADE Padding in carpeted areas | | | | | | | | | | |
| XFS01 | | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | | | | 576.16 |
| 04----SELECTIONS: INTERIOR-- | | | | | | | | | | |
| NBS01 | | BIFOLD DOORS | | DR, LEFT SID BIFOLD | STD BIFOLD 3'0" | | | | | 0.00 |
| NBS02 | | BIFOLD DOORS | | DR, RIGHT SID BIFOLD | SID BIFOLD 3'0" | | | | | 0.00 |
| NSS01 | | SLIDER DOORS | | MSTR BR SID SLIDER | SID SLIDER 3'0" | | | | | 0.00 |
| NSS02 | | SLIDER DOORS | | EX #1 STD SLIDER | STD SLIDER 4'0" | | | | | 0.00 |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

| | | | |
|-------------------------------|--------------------|----|------------|
| PURCHASER: <i>[Signature]</i> | GRAND TOTAL | \$ | 1731.16 |
| PURCHASER: <i>[Signature]</i> | Incl. Mortg. Sel | \$ | 1731.16 |
| DATE: 11-17-93 | AMOUNT DUE NOW | \$ | 51.93 |
| SALE REP: <i>[Signature]</i> | AMOUNT PAID NOW | \$ | 51.93 'OK' |
| SALES #68: <i>[Signature]</i> | AMOUNT DUE AT CLOS | \$ | 1679.23 |
| CONST. NO: <i>[Signature]</i> | | | |

KHOV034451

YZZ

K. HOVNANIAN FURNITURE & APPL. RENEWAL CORP III
PROJECT : TW - SOCIETY HILL C UNIV. HEIGHTS III E&C

D.S.No : TW-24-61
Printed: 17-NOV-1993

BUILD NO: 24 UNIT: 01
MODEL : STM1330-G >LO

*** DECORATION SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SHERVINGTON
CONTRACT DATE: 02-nov-1993

| SELECTION-NO | A | DESCRIPTION | A | MODEL | SIZE | A | COLOR | A | COMMENTS | PRICE |
|--|---|--------------------------------------|----------------------|------------|----------|---------------|--------------|---|------------|-----------|
| 01-----APPLIANCES----- | | | | | | | | | | |
| ANX01 | | DISHWASHER | 1ST LEVEL 3 CYCLE | GBD500 | | ALMOND | ALMOND | | | 340.00 <P |
| ANS00 | | RANGE HOOD | STANDARD RANGE HOOD | JN322 | | ALMOND | ALMOND | | | 0.00 <P |
| ALS00 | | RANGE | STANDARD RANGE | SPC155E | | ALMOND | ALMOND | | | 0.00 <P |
| AWX01 | | WASHER | WASHER LG CAPACITY | WAS5600 | | WHITE | WHITE | | | 470.00 <P |
| AWX01 | | DRYER | DRYER 4 CYCLE | XTRDUG5980 | | WHITE | WHITE | | | 345.00 <P |
| 02-----CABINETS----- | | | | | | | | | | |
| KCS00 | | KITCHEN CABINETS | ALTON LITE | | | | | | | 0.00 <P |
| KTS00 | | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 4143-6 | NEUTRAL GLACE | | | | 0.00 <P |
| 03-----FLOORING----- | | | | | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | | | | | |
| | | CARPETING | VERSAILITY | 26 | 60.0 SY | 6211 | MELLOW BEIGE | | ECC0101A00 | |
| Zone: 02 1ST FLOOR STAIRS/HALL | | | | | | | | | | |
| | | CARPETING | VERSAILITY | 36 | 70.0 SY | 6211 | MELLOW BEIGE | | ECC0102A00 | |
| Zone: 03 KITCHEN/ENTRY | | | | | | | | | | |
| | | LINOLEUM FLOORING | CANBRAY | | 17.67 SY | 68505 | | | ELC0103A00 | |
| Package includes UPGRADE Padding in carpeted areas | | | | | | | | | | |
| XF501 | | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | | | | 576.16 <P |
| 04-----SELECTIONS: INTERIOR----- | | | | | | | | | | |
| MS001 | | BIFOLD DOORS | DR, LEFT STD BIFOLD | STD BIFOLD | 3'0" | | | | | 0.00 <P |
| MS002 | | BIFOLD DOORS | DR, RIGHT STD BIFOLD | STD BIFOLD | 3'0" | | | | | 0.00 <P |
| MS001 | | SLIDER DOORS | MSR BR STD SLIDER | STD SLIDER | 3'0" | | | | | 0.00 <P |
| MS002 | | SLIDER DOORS | BR #1 STD SLIDER | STD SLIDER | 4'0" | | | | | 0.00 <P |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *[Signature]*
PURCHASER: *[Signature]*
DATE: 11-17-93
SALES REP: *[Signature]*
SALES REP: *[Signature]*
CONST. REP: *[Signature]* 11/17/93

GRAND TOTAL \$ 1731.16
Incl. Mortg. Sel \$ 1731.16
AMOUNT DUE NOW \$ 51.93
AMOUNT PAID NOW \$ 51.93 'OK'
AMOUNT DUE AT CLOS \$ 1679.23

KHOV034452

XYZ

K.HOVHANNIAN CHEMICAL SUPPLY RENEWAL CORP III
 PROJECT : IN - SOCIETY HILL C UNIV. HEIGHTS III EAC

D.S.No : IN-22-01
 Printed: 17-NOV-1993

BLDG NO: 11 UNIT: G1
 MODEL : STM1330-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SHERWINGTON
 CONTRACT DATE: 02-nov-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | A | COLOR | COMMENTS | PRICE |
|-----------------------|-------------|---------------------|------------|--------|--------|----------|--------|
| 01----APPLIANCES----- | | | | | | | |
| AUX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GB0500 | ALMOND | ALMOND | | 340.00 |
| AKS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | ALMOND | ALMOND | | 0.00 |
| AKS00 | RANGE | STANDARD RANGE | JN3215SE | ALMOND | ALMOND | | 0.00 |
| AWX01 | WASHER | WASHER LG CAPACITY | WMA5600 | WHITE | WHITE | | 470.00 |
| AWX01 | DRYER | DRYER 4 CYCLE | XTD0065980 | WHITE | WHITE | | 345.00 |

| | | | | | | | |
|----------------------|---------------------|---------------------|--|--------|---------------|--|------|
| 02----CAPINETRY----- | | | | | | | |
| KCS00 | KITCHEN CABINETS | ALTON LITE | | | | | 0.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 4143-6 | NEUTRAL GLACE | | 0.00 |

| | | | | | | | |
|--|--------------------------------------|------------|----|----------|-------|--------------|------------|
| 03----FLOORING----- | | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | | |
| | CARPETING | VERSAILITY | 26 | 60.0 SY | 6211 | MELLOW BEIGE | ECC0101A00 |
| Zone: 02 1ST FLOOR STAIRS/HALL | | | | | | | |
| | CARPETING | VERSAILITY | 26 | 78.0 SY | 6211 | MELLOW BEIGE | ECC0103A00 |
| Zone: 03 KITCHEN/ENTRY | | | | | | | |
| | LINOLEUM FLOORING | CAMBRAY | | 17.67 SY | 69505 | | ELC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | | |
| XFS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | | 576.16 |

| | | | | | | | |
|------------------------------|--------------|----------------------|------------|------|--|--|------|
| 04----SELECTIONS: INTERIOR-- | | | | | | | |
| MBS01 | BIFOLD DOORS | DR, LEFT STD BIFOLD | STD BIFOLD | 3'0" | | | 0.00 |
| MBS02 | BIFOLD DOORS | DR, RIGHT STD BIFOLD | STD BIFOLD | 3'0" | | | 0.00 |
| MSS01 | SLIDER DOORS | MSTR BR STD SLIDER | STD SLIDER | 3'0" | | | 0.00 |
| MSS02 | SLIDER DOORS | BR #1 STD SLIDER | STD SLIDER | 4'0" | | | 0.00 |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

| | | | |
|--------------------------------|--------------------|----|---------|
| PURCHASER: <i>[Signature]</i> | GRAND TOTAL | \$ | 1731.16 |
| PURCHASER: <i>[Signature]</i> | Incl. Mortg. Sel | \$ | 1731.16 |
| DATE: 11-17-93 | AMOUNT DUE NOW | \$ | 51.93 |
| SALES REP: <i>[Signature]</i> | AMOUNT PAID NOW | \$ | 51.93 |
| COLES REP: <i>[Signature]</i> | AMOUNT DUE AT CLOS | \$ | 1679.23 |
| CONST. REP: <i>[Signature]</i> | | | |

KHOV034453



Printed: 17-09-1968

PULP : SHEPINGTON
CONTRACT DATE: 07-nov-1973

| | | |
|--------------------|---|---------|
| GRAND TOTAL | 1 | 1731.16 |
| Incl. Party, Sel | 1 | 1731.16 |
| | | |
| AMOUNT DUE NOW | 1 | 61.04 |
| AMOUNT PAID NOW | 1 | 61.04 |
| | | |
| AMOUNT DUE AT CLOS | 1 | 1670.12 |

KHOV034454

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN GNEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JACQUELINE A SHERVINGTON (u) of 62-25 WOODHAVEN BLVD., #2A
Tel: Res: (718) 565-8537 REGO PK.
Bus: (212) 264-4439 NY ,11374.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 22.13
BLDG NO.: 22 , UNIT NO: G1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

| | | | | | |
|---------------------|---------------------|--------------|-------------------------|---------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 02-NOV-1993 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 02-NOV-1993 |
| | ADDITIONAL DEPOSIT | \$ | 2,118.50 | BY DATE | 02-DEC-1993 |
| | BALANCE at CLOSING | \$100,831.50 | PAID by CERTIFIED CHECK | | |
| | Total PAYMENT | \$103,950.00 | | | |

MORTGAGE AMOUNT : \$100,850.00 MORTGAGE CONTINGENCY DATE: 01-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034477

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all change costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C.F.R. Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will)(will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 2 day of Nov, 1993.

Joseph J. Hanley

Buyer: [Signature]

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:

Wayne Soohan
WAYNE SOOHAN,
DIRECTOR OF MARKETING AND SALES

DATE

KHOV034481

RESUMMARY OF BASIC PROVISIONS

The SELLER: K. HOVNANIAN, ENEMARK ORN RENEWAL CORP. Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JACQUELINE A. SHEEVINGTON (u) ST 62-25 WOODHAVEN BLVD. #2A
REGO PK.
NY 11374.
Tel: Res: (718) 564-8437
BUS: (212) 264-4439

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 UNIT NO: 22.15
MODEL: STH130-03 FLOWER

The PURCHASE PRICE: \$103,950.00
Consisting of:
BASE PRICE or MODEL: \$103,950.00

114 Callahan Ct.

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 02 NOV 1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 02 NOV 1994
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 02 DEC 1994
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK
Total PAYMENT \$103,950.00

MORTGAGE AMOUNT: \$100,831.50 MORTGAGE CONTINGENCY DATE: 01 JAN 1994
Estimated COMPLETION DATE: 15 FEB 1994
BY MON-TRAIL

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landorama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV034498



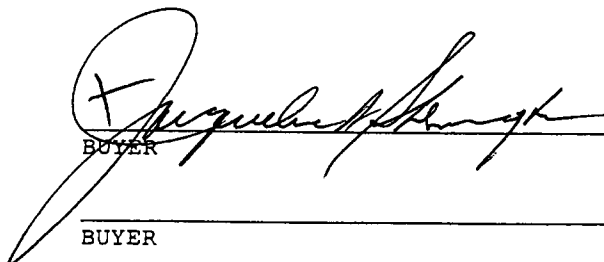
RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG./UNIT NO: 2261 MODEL NO: 1330

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on Nov 2, 1993
I/We personally received from the Sales Office at Society Hill at
University Heights III, the Public Offering Statement* ("POS PACKAGE") and
the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

 11/2/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034499

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: 62

The Purchase Agreement between Belita Watson BUYER(S)

_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 08-NOV-1993.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 111,538.31
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3346.15
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 108,192.16
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 111,538.31
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/7/93
DATE

Belita Watson
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034504

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Belita Watson

BUYER

UNIT 62, BUILDING 22, PURCHASE AGREEMENT DATE 08-Nov-1993

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSSES ON THE SAID MORTGAGE AND CLOSSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

BUYER

DATE

THIS AMENDMENT WILL
SUPERSEDE AND TERMINATE
THE PREVIOUS ADDENDUM DATED

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY:

Wayne Soojian
WAYNE SOOJIAN

DIRECTOR OF SALES AND MARKETING

KHOV034505

777

KILBOURNIAN @NEWARK-URB RENEWAL CORP III

D.S.No : IW-22-02

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 07-DEC-1993

BLDG NO: 22 UNIT: 02
MODEL : STM1330-0 DUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

| SELECTION-NO | A | DESCRIPTION | A | MODEL | SIZE | A | COLOR | A | COMMENTS | PRICE |
|--|---|--------------------------------------|---|----------------------|------------|----------|--------------|------------|------------|------------|
| 01-----APPLIANCES----- | | | | | | | | | | |
| ADX01 | | DISHWASHER | | 1ST LEVEL 3 CYCLE | 650500 | | ALMOND | ALMOND | | 340.00 <M |
| AHS00 | | RANGE HOOD | | STANDARD RANGE HOOD | JN322 | | ALMOND | ALMOND | | 0.00 <M |
| AKS00 | | RANGE | | STANDARD RANGE | JGBC15GE | | ALMOND | ALMOND | | 0.00 <M |
| 02-----CABINETS----- | | | | | | | | | | |
| KCS00 | | KITCHEN CABINETS | | ALTON LITE | | | | | | 0.00 <M |
| KTSC0 | | KITCHEN COUNTERTOPS | | STANDARD COUNTERTOP | | 1743-1 | ROSE POMPEII | | | 0.00 <M |
| 03-----FLOORING----- | | | | | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | | | | | |
| | | CARPETING | | ANNIHILATOR | 27 | 61.67 SY | 3286 | SHAKER RED | ECC0101A01 | |
| Zone: 02 1ST FLOOR STAIR/HALL | | | | | | | | | | |
| | | CARPETING | | ANNIHILATOR | 27 | 85.67 SY | 3286 | SHAKER RED | ECC0103A01 | |
| Zone: 03 KITCHEN/ENTRY | | | | | | | | | | |
| | | LINOLEUM FLOORING | | CANRAY | | 17.67 SY | 68441 | | FLC0103A00 | |
| Package includes UPGRADE Padding in carpeted areas | | | | | | | | | | |
| KI501 | | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | | | | 1248.31 <M |
| 04-----SELECTIONS: INTERIOR----- | | | | | | | | | | |
| MBS01 | | BIFOLD DOORS | | DR, LEFT STD BIFOLD | STD BIFOLD | 3'0" | | | | 0.00 <M |
| MBS02 | | BIFOLD DOORS | | DR, RIGHT STD BIFOLD | STD BIFOLD | 3'0" | | | | 0.00 <M |
| MSS01 | | SLIDER DOORS | | MSTR RR STD SLIDER | STD SLIDER | 3'0" | | | | 0.00 <M |
| MSS02 | | SLIDER DOORS | | BR #2 STD SLIDER | STD SLIDER | 4'0" | | | | 0.00 <M |
| MSS03 | | SLIDER DOORS | | BR #3 STD SLIDER | STD SLIDER | 4'0" | | | | 0.00 <M |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

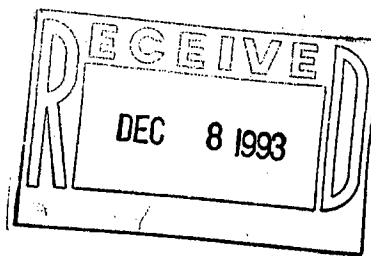
PURCHASER: *John Watson*
PURCHASER: *John Watson*
DATE: 12-7-93

SALES REP: *John Watson*
SALES REP: *John Watson*
CONST. NO: 12-8-93
CONST. NO: 12-16-93

GRAND TOTAL \$ 1588.31
Incl. Mortg. Sel \$ 1588.31

AMOUNT DUE NOW \$ 47.65
AMOUNT PAID NOW \$ 47.65 "CK"

AMOUNT DUE AT CLOS \$ 1540.66



KH0V034506

ZZZ

KHOVNANIAN @NEWARK-URB RENEWAL CORP III

D.S.No : IW-22-02

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 07-DEC-1993

BLDG NO: 22 UNIT: G2
MODEL : STH1330-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

| SELECTION NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|--------------|-----------------|------------|
| 01-----APPLIANCES----- | | | | | | |
| ADX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | G50500 | ALMOND | ALMOND | 340.00 <M |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | ALMOND | ALMOND | 0.00 <M |
| ARS00 | RANGE | STANDARD RANGE | JGBC150E | ALMOND | ALMOND | 0.00 <M |
| 02-----CABINETS----- | | | | | | |
| KCS00 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 <M |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | 1743-1 | ROSE POMPEII | | 0.00 <M |
| 03-----FLOORING----- | | | | | | |
| Zone: 01 | 2ND FLOOR CARPETING | ANNIHILATOR | 27 | 61.67 SY | 3286 SHAKER RED | FCC0101A01 |
| Zone: 02 | 1ST FLOOR STAIR/HALL CARPETING | ANNIHILATOR | 27 | 85.67 SY | 3286 SHAKER RED | FCC0102A01 |
| Zone: 03 | KITCHEN/ENTRY LINOLEUM FLOORING | CANBRAY | 17.67 SY | 68441 | | FLC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XFS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 1248.31 <M |
| 04-----SELECTIONS: INTERIOR----- | | | | | | |
| MBS01 | BIFOLD DOORS | DR, LEFT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 <M |
| MBS02 | BIFOLD DOORS | DR, RIGHT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 <M |
| NSS01 | SLIDER DOORS | MSTR BR STD SLIDER | STD SLIDER | 3'0" | | 0.00 <M |
| NSS02 | SLIDER DOORS | BR #2 STD SLIDER | STD SLIDER | 4'0" | | 0.00 <M |
| NSS03 | SLIDER DOORS | BR #3 STD SLIDER | STD SLIDER | 4'0" | | 0.00 <M |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *[Signature]*
PURCHASER: *[Signature]*
DATE: 12-7-93
SALES REP: *[Signature]*
SALES MGR: *[Signature]* 12-8-93
CONST. MGR: *[Signature]* 12-16-93

GRAND TOTAL \$ 1588.31
Incl. Mortg. Sel \$ 1588.31
AMOUNT DUE NOW \$ 47.65
AMOUNT PAID NOW \$ 47.65 "CK"
AMOUNT DUE AT CLOS \$ 1540.66

47.65
x *[Signature]*

KHOV034507

222

K. HOVNANIAN - NEWARK-URB. RENEWAL CORP III

U.S.No : IW-22-G2

PROJECT : IV - SOCIETY HILL @ UNIV. HEIGHTS III EAC

Printed: 07-DEC-1993

BLDG NO: 22 UNIT: 62
MODEL : STM1330-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|----------|-----------------|------------|
| 01---APPLIANCES--- | | | | | | |
| AKX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GSD500 | ALMOND | ALMOND | 340.00 <M |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | ALMOND | ALMOND | 0.00 <M |
| AKS00 | RANGE | STANDARD RANGE | JGBC15QE | ALMOND | ALMOND | 0.00 <M |
| 02---CABINETS--- | | | | | | |
| KCS00 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 <M |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 1743-1 | ROSE POMPEII | 0.00 <M |
| 03---FLOORING--- | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 61.67 SY | 3286 SHAKER RED | ECC0101A01 |
| Zone: 02 1ST FLOOR STAIR/HALL | | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 85.67 SY | 3286 SHAKER RED | ECC0102A01 |
| Zone: 03 KITCHEN/ENTRY | | | | | | |
| | LINOLEUM FLOORING | CANBRAY | | 17.67 SY | 68441 | ELC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| KFS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 1248.31 <M |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| MS01 | BIFOLD DOORS | DR, LEFT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 <M |
| MS02 | BIFOLD DOORS | DR, RIGHT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 <M |
| MS01 | SLIDER DOORS | HSTR BR STD SLIDER | STD SLIDER | 3'0" | | 0.00 <M |
| MS02 | SLIDER DOORS | BR #2 STD SLIDER | STD SLIDER | 4'0" | | 0.00 <M |
| MS03 | SLIDER DOORS | BR #3 STD SLIDER | STD SLIDER | 4'0" | | 0.00 <M |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Delia Waters*
PURCHASER: *Delia Waters*
DATE: 12-7-93

SALES REP: *J. Hawley*
SALES MGR: *Debra Rapp* 12-8-93
CONST. MGR: *12-16-93*

GRAND TOTAL \$ 1588.31
Incl. Mortg. Sel \$ 1588.31
AMOUNT DUE NOW \$ 47.65
AMOUNT PAID NOW \$ 47.65 "CK"
AMOUNT DUE AT CLOS \$ 1540.66

47.65
x *BW*

KHOV034508

22X

KHOVNANIAN ONEWARK-NEW RENEVAL CORP III

U.S.No : 10-22-02

PROJECT : 10 - SOCIETY HILL & UNIV. HEIGHTS T11 EAC

Printed: 07-DEC-1993

BLOG NO: 22 UNIT: G2
MODEL : SM1330-U DUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

| SELECTION NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|----------|-----------------|------------|
| 01---APPLIANCES--- | | | | | | |
| AKS01 | DISHWASHER | 1ST LEVEL 3 CYCLE | BS0500 | ALMOND | ALMOND | 340.00 CH |
| AKS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | ALMOND | ALMOND | 0.00 CH |
| AKS00 | RANGE | STANDARD RANGE | J80C150E | ALMOND | ALMOND | 0.00 CH |
| 02---CABINETS--- | | | | | | |
| KCS00 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 CH |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 1743-1 | ROSE POMPEII | 0.00 CH |
| 03---FLOORING--- | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 61.67 SY | 3286 SHAKER RED | ECC0101A01 |
| Zone: 02 1ST FLOOR STAIR/HALL | | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 85.67 SY | 3286 SHAKER RED | ECC0102A01 |
| Zone: 03 KITCHEN/ENTRY | | | | | | |
| | LINOLEUM FLOORING | CANBRAY | | 17.67 SY | 68441 | ELC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| KFS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 1248.31 CH |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| MS01 | BIFOLD DOORS | DR, LEFT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 CH |
| MS02 | BIFOLD DOORS | DR, RIGHT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 CH |
| MS01 | SLIDER DOORS | MSR BR STD SLIDER | STD SLIDER | 3'0" | | 0.00 CH |
| MS02 | SLIDER DOORS | BR #2 STD SLIDER | STD SLIDER | 4'0" | | 0.00 CH |
| MS03 | SLIDER DOORS | BR #3 STD SLIDER | STD SLIDER | 4'0" | | 0.00 CH |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Delita Haba*
PURCHASER: *Delita Haba*
DATE: 12-7-93

SALES REP: *Stanley*
SALES MGR: *Alger Rapp* 12-8-93
CONST. MGR: *17-16-93*

GRAND TOTAL \$ 1588.31
Incl. Mortg. Sel \$ 1588.31
AMOUNT DUE NOW \$ 47.65
AMOUNT PAID NOW \$ 47.65 "CK"
AMOUNT DUE AT CLOS 1 1540.66

47.65
SW

KHOV034509

Printed: 07-DEC-1993

BUTER : WATSON
 CONTRACT DATE: 08-nov-1993

AMOUNT DUE AT CLOSE 1540.66

KHOV034510

225

ALABAMA CROWN-NEW RENEWAL CORP. III
PROJECT : TO - SOCIETY HILL @ UNIV. HEIGHTS III BAC

U.S. No : 10-22-02

Printed: 07-DEC-1993

FORM NO: 22 UNIT: 02
MODEL : 5011390-0 SUP

ALL DECORATOR SELECTIONS, OPTIONS & UPGRADES ARE

BUYER : DAISSON
CONTRACT DATE: 08-NOV-1992

| SELECTION NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|----------|-----------------|------------|
| 01---APPLIANCES--- | | | | | | |
| AR501 | DISHWASHER | 1ST LEVEL 3 CYCLE | 050500 | ALMOND | ALMOND | 340.00 CH |
| AR500 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | ALMOND | ALMOND | 0.00 CH |
| AR500 | RANGE | STANDARD RANGE | 100C150E | ALMOND | ALMOND | 0.00 CH |
| 02---CABINETS--- | | | | | | |
| KC500 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 CH |
| KT500 | KITCHEN COUNTERTOP | STANDARD COUNTERTOP | | 1743-1 | ROSE POMFETI | 0.00 CH |
| 03---FLOORING--- | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | |
| | CARPETING | AMMILATOR | 27 | 61.67 SY | 3286 SHAKER RED | ECC0101A01 |
| Zone: 02 1ST FLOOR STAIR/HALL | | | | | | |
| | CARPETING | AMMILATOR | 27 | 85.67 SY | 3286 SHAKER RED | ECC0102A01 |
| Zone: 03 KITCHEN/ENTRY | | | | | | |
| | LINOLEUM FLOORING | CANBRAY | | 17.67 SY | 68441 | E1C0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| KFS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 1249.31 CH |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| NS001 | BIFOLD DOORS | RR, LEFT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 CH |
| NS002 | BIFOLD DOORS | RR, RIGHT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 CH |
| NS001 | SLIDER DOORS | RR, RR STD SLIDER | STD SLIDER | 3'0" | | 0.00 CH |
| NS002 | SLIDER DOORS | RR 12 STD SLIDER | STD SLIDER | 4'0" | | 0.00 CH |
| NS003 | SLIDER DOORS | RR 13 STD SLIDER | STD SLIDER | 4'0" | | 0.00 CH |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Delta Labs*
PURCHASER: *Delta Labs*
DATE: 12-7-93

SALES REP: *John*
SALES REP: *John*
CONST. REP: *John*

GRAND TOTAL \$ 1588.31
Incl. Mortg. Sel \$ 1588.31

AMOUNT DUE NOW \$ 47.65
AMOUNT PAID NOW \$ 47.65 "CR"

AMOUNT DUE AT CLOS \$ 1540.66

KHOV034511

CONTRACT DATE: 05-00V-1976

Please check this form for correct descriptions, including color, model number & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

| | |
|---------------------|---------|
| AMOUNT DUE NOW | 47.66 |
| AMOUNT PAID NOW | 47.66 |
| AMOUNT DUE AT CLOSE | 1049.66 |

KHOV034512

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): BELITA WATSON (W) of 95 SCHUYLER AVE.
Tel: Res: (201) 923-2380 NEWARK
Bus: (201) 268-3741 NJ ,07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.14
BLDG NO.: 22 , UNIT NO: G2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

| | | | | | |
|---------------------|---------------------|--------------|-------------------------|---------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 08-NOV-1993 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 08-NOV-1993 |
| | ADDITIONAL DEPOSIT | \$ | 2,298.50 | BY DATE | 08-DEC-1993 |
| | BALANCE at CLOSING | \$106,651.50 | PAID by CERTIFIED CHECK | | |
| | Total PAYMENT | \$109,950.00 | | | |

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

THIS CONTRACT WILL SUPERCEED AND TERMINATE THE PREVIOUS ONE FOR 00 022-G2 DATED NOV-08-1993.

KHOV034523



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 18 day of Dec, 1993.

Joseph J. Hanley

Buyer:

Belita Watson

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Belita Watson 12/18/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

12-23-93

KHOV034527

SUMMARY OF BASIC PROVISIONS

The SELLER: K. HOVNANIAN NEWARK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): BELITA WATSON (u) of 95 SCHUYLER AVE.
NEWARK NJ 07112.
Tel: Res: (201) 923-2000
Bus: (201) 260-1741

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 22.14
BLDG NO: 22 UNIT NO: G2 MODEL: STHL330-0 UPPER

The PURCHASE PRICE: \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS:
INITIAL DEPOSIT \$ 0.00 ON DATE 08-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-NOV-1993
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-DEC-1993
BALANCE at CLOSING \$106,651.50 PAID BY CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT: \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

x Belita Watson 12/18/93
(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

THIS CONTRACT WILL SUPERCEED AND TERMINATE THE PREVIOUS ONE FOR #22-G2 DATED NOV-08-1993.

x BW

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): BELITA WATSON (u) of 95 SCHUYLER AVE.
Tel: Res: (201) 923-2380 NEWARK
Bus: (201) 268-3741 NJ 07112.

WALTER JR WATSON (M) of 5 JENNIFER LANE
Tel: Res: (201) 761-1803 MAPLEWOOD
Bus: (201) 733-6070 NJ 07040.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 22.14
BLDG NO.: 22 , UNIT NO: G2 , MODEL: STH1330-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

112 Callahan Ct.

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 08-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-NOV-1993
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-DEC-1993
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

X Belita Watson 11-8/93
(BUYER) DATE
X Walter Watson Jr 11-8-93
(BUYER) DATE

(SELLER) DATE (BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034546



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: WATSON

BLDG./UNIT NO: 2262 MODEL NO: 1330

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 11-8-93, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

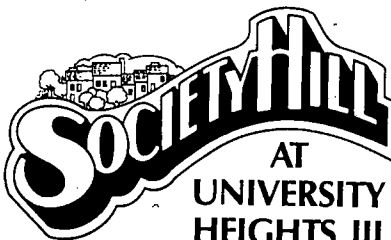
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

x Delita Stabara 11/8/93
BUYER DATE

x Walter Watson Jr. 11/8/93
BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034547

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): BELITA WATSON (u) of 95 SCHUYLER AVE.
Tel: Res: (201) 923-2380 NEWARK
Bus: (201) 268-3741 NJ ,07112.

WALTER JR WATSON (M) of 5 JENNIFER LANE
Tel: Res: (201) 761-1803 MAPLEWOOD
Bus: (201) 733-6070 NJ ,07040.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.14
BLDG NO.: 22 , UNIT NO: G2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

| | | | | | |
|---------------------|---------------------|--------------|-------------------------|---------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 08-NOV-1993 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 08-NOV-1993 |
| | ADDITIONAL DEPOSIT | \$ | 2,298.50 | BY DATE | 08-DEC-1993 |
| | BALANCE at CLOSING | \$106,651.50 | PAID by CERTIFIED CHECK | | |
| | Total PAYMENT | \$109,950.00 | | | |

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON- YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

(BUYER)

(BUYER)

(BUYER)

DATE

DATE

DATE

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

REFER TO NEW CONTRACT

KHOV034549



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 8 day of Nov, 1993.

Buyer: X Belita Watson

Joseph J. Hanley

Buyer: X William Watson Jr.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Belita Watson 11/8/93
BUYER DATE

X William Watson Jr. 11-8-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Wayne Soojian 11-11-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV034553

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Willie R. Sinclair

Gloria Sinclair

_____, Buyer.

UNIT: H1 BLDG.: 22 PURCHASE AGREEMENT DATE: 4/2/94

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to \$ 4,600.00.

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE 5/2/94

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 4-9-94

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Sina Weems

"BUYER"

x Willie R. Sinclair
x Gloria Sinclair

KHOV034556

K. HUMANIAN BUREAU-URG RENEWAL CORP III

S.No : 14-22-H1

PROJECT : 10 - SOCIETY HILL @ UNIV. HEIGHTS III EEC

Printed: 16-APR-1994

BLDG NO: 22 UNIT: M1
MODEL : 1STH300-B >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SINCLAIR
CONTRACT DATE: 02-apr-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|----------|---------------|------------------------|
| 01---APPLIANCES--- | | | | | | |
| ASX01 | WASTE DISPOSAL | DISPOSAL | GFC23K | | | 130.00 |
| ADK02 | DISHWASHER | UPGRADE 4 CYCLE | ESD940 | BLACK | BLACK | 465.00 |
| AFX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TBX19PAS | WHITE | WHITE | 805.00 |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JH322 | WHITE | WHITE | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGBCI5GB | WHITE | WHITE | 0.00 |
| AWX01 | WASHER | WASHER LG CAPACITY | WMA5600 | WHITE | WHITE | 450.00 |
| AYX01 | DRYER | DRYER 4 CYCLE | XTRDDG5980 | WHITE | WHITE | 355.00 |
| 02---CABINETS--- | | | | | | |
| KCU05 | KITCHEN CABINETS | NATURAL TAMOE | | | | 555.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 1742-1 | WHITE POMPEII | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR | | | | | |
| | CARPETING | CRYSTAL VALLEY | 48 | 60.0 SY | 6773 | CANDLESCENT FCC0101A04 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | |
| | CARPETING | CRYSTAL VALLEY | 48 | 78.0 SY | 6773 | CANDLESCENT FCC0102A04 |
| Zone: 03 | KITCHEN/ENTRY | | | | | |
| | LINOLEUM FLOORING | DESIGNER | | 17.67 SY | 84050 | FLC0103A03 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XFR01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 2541.00 CM |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| MBU01 | BIFOLD DOORS | OR, LEFT MI-BIFOLD | MI-BIFOLD | 3'0" | | 200.00 |
| MBU02 | BIFOLD DOORS | OR, RIGHT MI-BIFOLD | MI-BIFOLD | 3'0" | | 200.00 |
| MNU03 | BIFOLD DOORS | LINEN | | 2'0" | | 150.00 |
| MSU01 | SLIDER DOORS | MSR BR MI-SLIDER | MI-SLIDER | 3'0" | | 150.00 |
| MSU02 | SLIDER DOORS | SR #2 MI-SLIDER | MI-SLIDER | 4'0" | | 175.00 |
| MSU03 | SLIDER DOORS | BR #3 MI SLIDER | MI SLIDER | | | 175.00 |

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
PURCHASER : *[Signature]*
DATE : *4-16-94*GRAND TOTAL \$ 6351.00
Incl. Mortg. Sel \$ 2541.00SALES REP : *[Signature]*
SALES MGR : *[Signature]*
CONST. MGR : *[Signature]*AMOUNT DUE NOW \$ 190.53
AMOUNT PAID NOW \$ 0.00 "CM"
AMOUNT DUE AT CLS \$ 6351.00

KH0V034557

K. HOVNANIAN @NEWARK-URB RENEWAL CORP III

S.No : IW-22-H1

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 16-APR-1994

BLDG NO: 22 UNIT: H1
MODEL : SIH1330-6 >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SINCLAIR
CONTRACT DATE: 02-apr-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|----------|---------------|-----------------------|
| 01-----APPLIANCES----- | | | | | | |
| ABX01 | WASTE DISPOSAL | DISPOSAL | GEC29R | | | 130.00 |
| ADX02 | DISHWASHER | UPGRADE 4 CYCLE | GSD940 | BLACK | BLACK | 465.00 |
| AFX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TBX19PAS | WHITE | WHITE | 805.00 |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | WHITE | WHITE | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGBC150R | WHITE | WHITE | 0.00 |
| AWX01 | WASHER | WASHER LG CAPACITY | WMA5600 | WHITE | WHITE | 450.00 |
| AYX01 | DRYER | DRYER 4 CYCLE | XTRDDG5980 | WHITE | WHITE | 355.00 |
| 02-----CABINETS----- | | | | | | |
| KCU05 | KITCHEN CABINETS | NATURAL TAMOE | | | | 555.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 1742-1 | WHITE POMPEII | 0.00 |
| 03-----FLOORING----- | | | | | | |
| Zone: 01 | 2ND FLOOR | | | | | |
| | CARPETING | CRYSTAL VALLEY | 4B | 60.0 SY | 6773 | CANDESCENT FCC0101A04 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | |
| | CARPETING | CRYSTAL VALLEY | 4B | 78.0 SY | 6773 | CANDESCENT FCC0102A04 |
| Zone: 03 | KITCHEN/ENTRY | | | | | |
| | LINOLEUM FLOORING | DESIGNER | | 17.67 SY | 89650 | FLC0103A03 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XFS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 2541.00 <M |
| 04-----SELECTIONS: INTERIOR----- | | | | | | |
| MBU01 | BIFOLD DOORS | DR, LEFT MI-BIFOLD | MI-BIFOLD | 3'0" | | 200.00 |
| MBU02 | BIFOLD DOORS | DR, RIGHT MI-BIFOLD | MI-BIFOLD | 3'0" | | 200.00 |
| MBU03 | BIFOLD DOORS | LINEN | | 2'0" | | 150.00 |
| MSU01 | SLIDER DOORS | MSIR BR MI-SLIDER | MI-SLIDER | 3'0" | | 150.00 |
| MSU02 | SLIDER DOORS | BR #2 MI-SLIDER | MI-SLIDER | 4'0" | | 175.00 |
| MSU03 | SLIDER DOORS | BR #3 MI SLIDER | MI SLIDER | | | 175.00 |

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *P. W. R. Sinclair*
PURCHASER : *P. W. R. Sinclair*
DATE : *4-16-94*

GRAND TOTAL \$ 6351.00
Incl. Mortg. Sel \$ 2541.00

SALES REP : *Gina Weems*
SALES MGR : *Alma Wagner*
CONST. MGR : *4-22-94*

AMOUNT DUE NOW \$ 190.53
AMOUNT PAID NOW \$ 0.00 *CK*
AMOUNT DUE AT CLOS \$ 6351.00

KHOV034558

K. HOVNANIAN BENCHMARK-URB RENEWAL CORP III

S.No : IN-22-H1

PROJECT : IN - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 16-APR-1994

BLDG NO: 22 UNIT: H1
MODEL : SYN1330-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SINCLAIR
CONTRACT DATE: 02-apr-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|----------|---------------|-----------------------|
| 01---APPLIANCES--- | | | | | | |
| AUX01 | WASTE DISPOSAL | DISPOSAL | GFC29R | | | 130.00 |
| ADK02 | DISHWASHER | UPGRADE 4 CYCLE | GSD940 | BLACK | BLACK | 465.00 |
| APX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TBX19PAS | WHITE | WHITE | 805.00 |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | WHITE | WHITE | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGBC15GE | WHITE | WHITE | 0.00 |
| AWX01 | WASHER | WASHER LG CAPACITY | UWA5600 | WHITE | WHITE | 450.00 |
| AYX01 | DRYER | DRYER 4 CYCLE | XTRDDG5980 | WHITE | WHITE | 355.00 |
| 02---CABINETS--- | | | | | | |
| KCU05 | KITCHEN CABINETS | NATURAL TANOE | | | | 555.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 1742-1 | WHITE POMPEII | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLGR | | | | | |
| | CARPETING | CRYSTAL VALLEY | 4B | 60.0 SY | 6773 | CANDESCENT FCC0101A04 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | |
| | CARPETING | CRYSTAL VALLEY | 4B | 78.0 SY | 6773 | CANDESCENT FCC0102A04 |
| Zone: 03 | KITCHEN/ENTRY | | | | | |
| | LINOLEUM FLOORING | DESIGNER | | 17.67 SY | 89650 | FLC0103A03 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XPS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 2541.00 |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| HBU01 | BIFOLD DOORS | DR, LEFT MI-BIFOLD | MI-BIFOLD | 3'0" | | 200.00 |
| HBU02 | BIFOLD DOORS | DR, RIGHT MI-BIFOLD | MI-BIFOLD | 3'0" | | 200.00 |
| HBU03 | BIFOLD DOORS | LINEN | | 2'0" | | 150.00 |
| HBU01 | SLIDER DOORS | MSR BR MI-SLIDER | MI-SLIDER | 3'0" | | 150.00 |
| HBU02 | SLIDER DOORS | BR #2 MI-SLIDER | MI-SLIDER | 4'0" | | 175.00 |
| HBU03 | SLIDER DOORS | BR #3 MI SLIDER | MI SLIDER | | | 175.00 |

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : W. J. Sinclair
PURCHASER : W. J. Sinclair
DATE : 4-16-94GRAND TOTAL \$ 6351.00
Incl. Mortg. Sel \$ 2541.00SALES REP : Ann Weems
SALES MGR : Ann Weems
CONST. MGR : Ann Weems 4.22.94AMOUNT DUE NOW \$ 190.53
AMOUNT PAID NOW \$ 0.00 "CK"
AMOUNT DUE AT CLOS \$ 6351.00

KH0V034559

PROJECT : IV - SOCIETY HILL @ UNIV. HEIGHTS III EEC

Printed: 16-APR-1994

BLDG NO: 22 UNIT: H1
MODEL : 6YH1399-B >LO

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : SINCLAIR
CONTRACT DATE: 03-apr-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | A | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|----------|---------------|------------|------------|
| 01---APPLIANCES--- | | | | | | | |
| ADX01 | WASTE DISPOSAL | DISPOSAL | GFC29K | | | | 130.00 |
| ADX02 | DISHWASHER | UPGRADE 4 CYCLE | GSD940 | BLACK | BLACK | | 465.00 |
| AFX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TRX19PAS | WHITE | WHITE | | 803.00 |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | WHITE | WHITE | | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGBC150E | WHITE | WHITE | | 0.00 |
| AWX01 | WASHER | WASHER LG CAPACITY | WWA5600 | WHITE | WHITE | | 450.00 |
| AYX01 | DRYER | DRYER 4 CYCLE | XTEDDG5980 | WHITE | WHITE | | 355.00 |
| 02---CABINETS--- | | | | | | | |
| KCU05 | KITCHEN CABINETS | NATURAL TAMOR | | | | | 555.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 1742-1 | WHITE POMPEII | | 0.00 |
| 03---FLOORING--- | | | | | | | |
| Zone: 01 | 2ND FLOOR | | | | | | |
| | CARPETING | CRYSTAL VALLEY | 40 | 60.0 SY | 6773 | CANDESCENT | FCC0101A04 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | | |
| | CARPETING | CRYSTAL VALLEY | 48 | 78.0 SY | 6773 | CANDESCENT | FCC0102A04 |
| Zone: 03 | KITCHEN/ENTRY | | | | | | |
| | LINOLEUM FLOORING | DESIGNER | | 17.67 SY | 89650 | | FLE0103A03 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | | |
| KFS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | | 2541.00 <H |
| 04---SELECTIONS: INTERIOR--- | | | | | | | |
| MSU01 | BIFOLD DOORS | DR, LEFT HI-BIFOLD | HI-BIFOLD | 3'0" | | | 200.00 |
| MSU02 | BIFOLD DOORS | DR, RIGHT HI-BIFOLD | HI-BIFOLD | 3'0" | | | 200.00 |
| MSU03 | BIFOLD DOORS | LINEN | | 2'0" | | | 150.00 |
| MSU01 | SLIDER DOORS | MSR DR HI-SLIDER | HI-SLIDER | 3'0" | | | 150.00 |
| MSU02 | SLIDER DOORS | DR #2 HI-SLIDER | HI-SLIDER | 4'0" | | | 175.00 |
| MSU03 | SLIDER DOORS | DR #3 HI SLIDER | HI SLIDER | | | | 175.00 |

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Walter P. Sinclair
PURCHASER : Walter P. Sinclair
DATE : 4-16-94GRAND TOTAL \$ 6351.00
Incl. Mortg. Sel \$ 2541.00SALES REP : Eric Weems
SALES MGR : Eric Weems
CONST. MGR : 4-22-94AMOUNT DUE NOW \$ 190.53
AMOUNT PAID NOW \$ 0.00 *CK*
AMOUNT DUE AT CLOS \$ 6351.00

KHOV034560

K. HUMANIAN REMARK-URG RENEWAL CORP III

PROJECT : IM - SOCIETY WILL @ UNIV. HEIGHTS III ESE

... No : IM-22-HI

Printed: 16-APR-1994

ALOG NO: 22 UNIT: HI
MODEL : STR1399-A SLD

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : SINCLAIR
CONTACT DATE: 02-Apr-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--------------|-------------|-------|------|-------|----------|-------|
|--------------|-------------|-------|------|-------|----------|-------|

01---APPLIANCES---

| | | | | | | |
|-------|----------------|----------------------|------------|-------|-------|--------|
| ADX01 | WASTE DISPOSAL | DISPOSAL | GFC29R | | | 130.00 |
| ADX02 | DISHWASHER | UPGRADE 4 CYCLE | GSD040 | BLACK | BLACK | 465.00 |
| AFX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TBX19PAS | WHITE | WHITE | 803.00 |
| ARS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | WHITE | WHITE | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGBU150E | WHITE | WHITE | 0.00 |
| AWX01 | WASHER | WASHER LG CAPACITY | UWA5600 | WHITE | WHITE | 450.00 |
| AVX01 | DRYER | DRYER 4 CYCLE | XYR0005980 | WHITE | WHITE | 355.00 |

02---CABINETS---

| | | | | | | |
|-------|---------------------|---------------------|--|--------|--------------|--------|
| KCU05 | KITCHEN CABINETS | NATURAL TAMBOR | | | | 555.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 1742-1 | WHITE PORCEL | 0.00 |

03---FLOORING---

| | | | | | | |
|----------|-----------------------|----------------|----|----------|-------|------------|
| Zone: 01 | 2ND FLOOR | | | | | |
| | CARPETING | CRYSTAL VALLEY | 48 | 60.0 SY | 6773 | CANDESCENT |
| Zone: 02 | 1ST FLOOR STAIRS/WALL | | | | | |
| | CARPETING | CRYSTAL VALLEY | 48 | 78.0 SY | 6773 | CANDESCENT |
| Zone: 03 | KITCHEN/ENTRY | | | | | |
| | LINOLEUM FLOORING | DESIGNER | | 17.67 SY | 89650 | |

Package includes UPGRADE Padding in carpeted areas

| | | | | | | |
|-------|--------------------------------------|--|--|--|--|------------|
| KFS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 3541.00 CH |
|-------|--------------------------------------|--|--|--|--|------------|

04---SELECTIONS: INTERIOR---

| | | | | | | |
|-------|--------------|---------------------|-----------|------|--|--------|
| ADU01 | BIFOLD DOORS | DR, LEFT HI-BIFOLD | HI-BIFOLD | 3'0" | | 200.00 |
| ADU02 | BIFOLD DOORS | DR, RIGHT HI-BIFOLD | HI-BIFOLD | 3'0" | | 200.00 |
| ADU03 | BIFOLD DOORS | LINER | | 2'0" | | 150.00 |
| ASU01 | SLIDER DOORS | HSR DR HI-SLIDER | HI-SLIDER | 3'0" | | 150.00 |
| ASU02 | SLIDER DOORS | DR #2 HI-SLIDER | HI-SLIDER | 4'0" | | 175.00 |
| ASU03 | SLIDER DOORS | DR #3 HI-SLIDER | HI-SLIDER | | | 175.00 |

0.00

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
PURCHASER : *[Signature]*
DATE : 4-16-94

GRAND TOTAL \$ 6351.00
Incl. Kortg. Sel \$ 2541.00

SALES REP : *[Signature]*
SALES MAN : *[Signature]*
CONST. NO: 422-94

AMOUNT DUE NOW \$ 190.59
AMOUNT PAID NOW \$ 0.00 "CH"
AMOUNT DUE AT CLOS \$ 6351.00

KHOV034561

K. HUMANIAN BUREAU-DEB REMEDIAL CORP III

JMS.No : 10-23-11

PROJECT : 10 - SOCIETY HILL @ UNIT. HEIGHTS III EEC

Printed: 10-APR-1994

BLDG NO: 23 UNIT: H1
MODEL : SH1330-0 PLO

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : SINCLAIR
CONTRACT DATE: 02-Apr-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|----------|--------------|-----------------------|
| 01---APPLIANCES--- | | | | | | |
| ADK01 | WASTE DISPOSAL | DISPOSAL | DECSOR | | | 130.00 |
| ADK02 | DISHWASHER | UPGRADE 4 CYCLE | 6SD940 | BLACK | BLACK | 465.00 |
| AKR02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TRX10PAS | WHITE | WHITE | 803.00 |
| AMS00 | RANGE HOOD | STANDARD RANGE HOOD | JH322 | WHITE | WHITE | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JBBC150R | WHITE | WHITE | 0.00 |
| AMX01 | WASHER | WASHER LG CAPACITY | UMAS600 | WHITE | WHITE | 350.00 |
| ATX01 | DRYER | DRYER 4 CYCLE | XTD00G5980 | WHITE | WHITE | 355.00 |
| 02---CABINETS--- | | | | | | |
| KCU05 | KITCHEN CABINETS | NATURAL TAMB | | | | 555.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 1742-1 | WHITE PORCEL | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR | | | | | |
| | CARPETING | CRYSTAL VALLEY | 48 | 60.0 SY | 6773 | CANDESCENT FCC0101A04 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | |
| | CARPETING | CRYSTAL VALLEY | 48 | 78.0 SY | 6773 | CANDESCENT FCC0102A04 |
| Zone: 03 | KITCHEN/ENTRY | | | | | |
| | LITHOLUM FLOORING | DESIGNER | | 17.67 SY | 89650 | ELC0103A03 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XTS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 2541.00 |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| NDK01 | BIFOLD DOORS | DR, LEFT HI-BIFOLD | HI-BIFOLD | 3'0" | | 200.00 |
| NDK02 | BIFOLD DOORS | DR, RIGHT HI-BIFOLD | HI-BIFOLD | 3'0" | | 200.00 |
| NDK03 | BIFOLD DOORS | LINEN | | 3'0" | | 150.00 |
| NSD01 | SLIDER DOORS | BSR BK HI-SLIDER | HI-SLIDER | 3'0" | | 150.00 |
| NSD02 | SLIDER DOORS | DR #2 HI-SLIDER | HI-SLIDER | 4'0" | | 175.00 |
| NSD03 | SLIDER DOORS | BK #3 HI SLIDER | HI SLIDER | | | 175.00 |

0-60

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : [Signature]
PURCHASER : [Signature]
DATE : 4-16-94

GRAND TOTAL \$ 6351.00
Incl. Mortg. Sel \$ 2541.00

SALES REP : [Signature]
SALES REP : [Signature]
CONST. NO: 1277

AMOUNT DUE NOW \$ 190.53
AMOUNT PAID NOW \$ 0.00 "CR"
AMOUNT DUE AT CLOS \$ 6351.00

KH0V034562

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: 41

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)

Gloria Sinclair, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decoraton Selections, Options and Upgrades as per attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,301.00

2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00

3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,301.00

4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,301.00

5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 108,691.00.

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-16-94
DATE

* Willie R. Sinclair
BUYER
Gloria Sinclair
BUYER

BUYER

SELLER CORPORATION:

BY:

Laura VanVelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV034567

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: 41

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decoraton Selections, Options and Upgrades as per
attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,301.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,800.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,301.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,301.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 128,691.00
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

H-16-94
DATE

* Willie R. Sinclair
BUYER
Gloria Sinclair
BUYER

BUYER

SELLER CORPORATION:

BY:

Laura VanVelthoven
SALES MANAGER

KHOV034568

777

K.HOVHMANIAN BENEARK-URB RENEWAL CORP III

D.S.No : IW-22-H1

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 16-APR-1994

BLOG NO: 22 UNIT: M1
MODEL : STN1330-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : SINCLAIR
CONTRACT DATE: 02-apr-1994

| SELECTION NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|------------------------------|--|----------------------|------------|---------------|----------------|------------|
| 01---APPLIANCES--- | | | | | | |
| ABX01 | WASTE DISPOSAL | DISPOSAL | GEC29W | | | 130.00 |
| ADX02 | DISHWASHER | UPGRADE 4 CYCLE | GSD940 | BLACK | BLACK | 465.00 |
| AEX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TBX19PAS | WHITE | WHITE | 805.00 |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JH322 | WHITE | WHITE | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGBC15GE | WHITE | WHITE | 0.00 |
| AWX01 | WASHER | WASHER LG CAPACITY | WHA5600 | WHITE | WHITE | 450.00 |
| AYX01 | DRYER | DRYER 4 CYCLE | XTRDD35980 | WHITE | WHITE | 355.00 |
| 02---CABINETS--- | | | | | | |
| KCU05 | KITCHEN CABINETS | NATURAL TAHOE | | | | 555.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | 1742-1 | WHITE POMPEII | | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR | | | | | |
| | CARPETING | CRYSTAL VALLEY | 48 | 60.0 SY | 6773 CANDLESCE | FCC0101A04 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | |
| | CARPETING | CRYSTAL VALLEY | 48 | 78.0 SY | 6773 CANDLESCE | FCC0102A04 |
| Zone: 03 | KITCHEN/ENTRY | | | | | |
| | LINOLEUM FLOORING | DESIGNER | 17.67 SY | 89650 | | FLC0103A03 |
| | Package includes UPGRADE Padding in carpeted areas | | | | | |
| XF501 | FLOORING PACKAGES | STANDARD LAYOUT | | | | 2541.00 < |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| MBU01 | BIFOLD DOORS | DR, LEFT MI-BIFOLD | MI-BIFOLD | 3'0" | | 200.00 |
| MBU02 | BIFOLD DOORS | DR, RIGHT MI-BIFOLD | MI-BIFOLD | 3'0" | | 200.00 |
| MBU03 | BIFOLD DOORS | LINEN | | 2'0" | | 150.00 |
| MSU01 | SLIDER DOORS | MSR BR MI-SLIDER | MI-SLIDER | 3'0" | | 150.00 |
| MSU02 | SLIDER DOORS | BR #2 MI-SLIDER | MI-SLIDER | 4'0" | | 175.00 |
| MSU03 | SLIDER DOORS | BR #3 MI SLIDER | MI SLIDER | | | 175.00 |

0.00

Please check this form for correct descriptions, including color, model numbers & Totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *[Signature]*
PURCHASER : *[Signature]*
DATE : *10-16-94*

GRAND TOTAL \$ 6351.00
Incl. Mortg. Sel \$ 2541.00

SALES REP : *[Signature]*
SALES MGR : *[Signature]*
CONST. MGR : *[Signature]*

AMOUNT DUE NOW \$ 190.53
AMOUNT PAID NOW \$ 0.00 'CK'
AMOUNT DUE AT CLOS \$ 6351.00

KHOV034569

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: H1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,336.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,336.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,336.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 108,691.00
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-9-94
DATE

Willie R. Sinclair
BUYER
Gloria Sinclair
BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV034572

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: H1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,336.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,336.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,336.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 108,691.00.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-9-94
DATE

Willie R. Sinclair
BUYER
Gloria Sinclair
BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV034573

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: #1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 116,336.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,336.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,336.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 103,691.00.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-9-94
DATE

Willie R. Sinclair
BUYER
Gloria Sinclair
BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
SELLER

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV034574

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): WILLIE R SINCLAIR (H) of 78 MADISON AVENUE/APT C
Tel: Res: (201) 624-7005 NEWARK
Bus: (201) 596-5000 NJ ,07108.

GLORIA SINCLAIR (W) of 78 MADISON AVENUE/APT C
Tel: Res: (201) 624-7005 NEWARK
Bus: (201) 430-2706 NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 22.15
BLDG NO.: 22 , UNIT NO: H1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

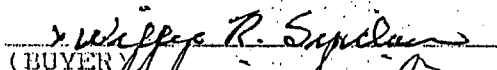
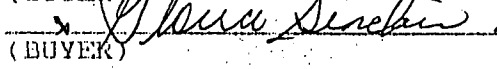
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|---------------------|---------------------|----|--------------|-------------------------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 02-APR-1994 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 02-APR-1994 |
| | ADDITIONAL DEPOSIT | \$ | 2,118.50 | BY DATE | 02-MAY-1994 |
| | BALANCE at CLOSING | \$ | 100,831.50 | PAID by CERTIFIED CHECK | |
| | Total PAYMENT | | \$103,950.00 | | |

MORTGAGE AMOUNT : \$103,950.00 MORTGAGE CONTINGENCY DATE: 01-JUN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

| | |
|--|--------|
|  | 4-2-94 |
| (BUYER) | DATE |
|  | 4-2-94 |
| (BUYER) | DATE |
| (BUYER) | DATE |
| (BUYER) | DATE |

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034587

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): WILLIE R SINCLAIR (H) of 78 MADISON AVENUE/APT C
Tel: Res: (201) 624-7005 NEWARK
Bus: (201) 596-5000 NJ ,07108.

GLORIA SINCLAIR (W) of 78 MADISON AVENUE/APT C
Tel: Res: (201) 624-7005 NEWARK
Bus: (201) 430-2706 NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.15
BLDG NO.: 22 , UNIT NO: H1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 02-APR-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 02-APR-1994
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 02-MAY-1994
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK
Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$103,950.00 MORTGAGE CONTINGENCY DATE: 01-JUN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Willie R. Sinclair 4-2-94
(BUYER) DATE
Gloria Sinclair 4-2-94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

(SELLER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034600



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 2nd day of April, 1994.

Buyer: x *Wallace R. Sanchez*

Lisa M. Weems

Buyer: x *Gloria Sanchez*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

x *Wallace R. Sanchez* 4-29-94
BUYER DATE

x *Gloria Sanchez* 4-29-94
BUYER DATE

BY: *[Signature]* 4/7/94
DATE

KHOV034604

Companies

1C10

The SELLER: K. HOVNANIAN ON MATC-URB RENEWAL CORP-located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701

TERMS AND CONDITIONS - PURCHASE AGREEMENT

The BUYER(S): WILLIE R. SINCLAIR (W) of 78 MADISON AVENUE/APT C
Tel: Res: (201) 624-7005 NEWARK NJ 07108.
Bus: (201) 596-5000

GLORIA SINCLAIR (W) of 78 MADISON AVENUE/APT C
Tel: Res: (201) 624-7005 NEWARK NJ 07108.
Bus: (201) 430-2706

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT SOCIETY HILL @ UNIV. HEIGHTS III ESC
BLOCK NO: 406 LOT NO: 22.15
HJDC NO: 22 UNIT NO: 111 MODEL: STH1330-G -> LOWER
MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY
HEIGHTS COMMUNITY ASSOCIATION III, INC.

The PURCHASE PRICE: \$103,950.00
11. Consisting of:
12. BASE PRICE of MODEL \$103,950.00
13. SELLER'S INABILITY TO DELIVER DEED
The PAYMENT TERMS: INCREASED INITIAL DEPOSIT PRICE 0.00 ON DATE 02-APR-1994
15. ASSIGNING CONTRACT \$ 1,000.00 ON DATE 02-APR-1994
16. NO CLOUTONAL DEPOSIT \$ 2,118.50 BY DATE 02-MAY-1994
17. DEPOSIT BALANCE at CLOSING \$100,831.50 PAID BY CERTIFIED CHECK
18. WARRANTIES
19. ENTIRE AGREEMENT REPRESENTATIONS
20. Total PAYMENT \$103,950.00

MORTGAGE AMOUNT: \$103,950.00 MORTGAGE CONTINGENCY DATE: 01-JUN-1994
21. PREOCUPANCY INSPECTION Estimated COMPLETION DATE: 15-FEB-1994
22. CHANGES IN PRICE
23. MORTGAGE CONTINGENCY
24. INSULATION
25. PURCHASE AGREEMENT
26. AFFORDABLE UNUS

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached. FULLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THE TIME FRAME.

YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN ADVISE YOU ON YOUR RIGHTS AND OBLIGATIONS. K. HOVNANIAN at Newark NEW JERSEY 07108. DATE 4-2-94
Urban Renewal INCORPORATION III, INC. DATE 4-2-94

1. DEPOSITS - All deposits shall be paid in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at the National Bank, 400 Third Street, Newark, NJ 07102, to be escrowed for the use of K. HOVNANIAN at Newark, NJ 07108. (BUYER) DATE
(SELLER) DATE
K. HOVNANIAN, Inc. until closing of title or termination of this Contract. (BUYER) DATE
Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day contingency period (BUYER) DATE
Seller and shall not be credited towards the purchase price. DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required. The BUYER shall pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by BROKER. These fees are Landarama, Inc. and the fees with charges incidental to a mortgage closing.

3. ADJUSTMENT - Tax, PCH, H, Michael McGreevey, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned to the Buyer. (BUYER) DATE
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

4. CLOSING OF TITLE - The Seller in notice to Buyer to be completed at the estimated completion time as stated on the SUMMARY OF BASIS PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium on improved land which the Seller, if there are no unanticipated circumstances, is under the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashier's check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE - Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

KHOV034605



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mr. & Mrs. Sinclair BLDG./UNIT NO: 2241 MODEL NO: 1330

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 4/2, 1993 4
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

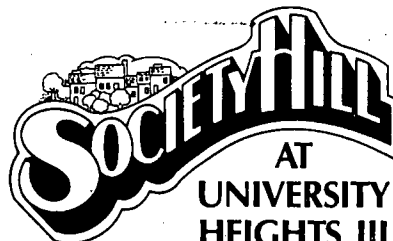
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

x Will R. Sinclair 4-2-94
BUYER DATE

x Gloria Sinclair 4-2-94
BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034607

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

William T. Conyers, Jr.

_____, Buyer.

UNIT: H2 BLDG.: 72 PURCHASE AGREEMENT DATE: 3/26/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with K. Hovnianian Mortgage Co., Inc.; if Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.

William T. Conyers, Jr. 94-03-26
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV034610

AMENDMENT TO PURCHASE AGREEMENT
(DECORATOR SELECTION)

BETWEEN: K. Movnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

William T. Conyers, Jr.

, Buyer.

UNIT #2, BLDG. 22

PURCHASE AGREEMENT DATED: 3/26/94

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended due to the parties execution of the Decorator Selection optional upgrade package number set forth below (herein "DS"), which is incorporated herein by reference.

(2) The following terms set forth in the Summary of Basic Provisions for this applicable Unit is/are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

A) THE PURCHASE PRICE is increased to: \$ 115,696.81

Consisting of:

| | |
|---------------------------------------|----------------------|
| BASE PRICE of MODEL:
and Premiums: | \$ <u>109,950.00</u> |
| DS Number | \$ _____ |
| | \$ <u>5,746.81</u> |
| | \$ _____ |
| | \$ _____ |

B) THE PAYMENT TERMS:

| | | |
|---|----------------------|--------------|
| Deposit previously paid | \$ <u>1,000.00</u> | |
| Deposit balance due | \$ _____ | due on _____ |
| Additional deposit | \$ _____ | due on _____ |
| Total deposit | \$ <u>1,000.00</u> | |
| Balance due at closing
(cash of certified check) | \$ <u>114,696.81</u> | |
| Total Purchase Price | \$ <u>115,696.81</u> | |

C) MAXIMUM MORTGAGE CONTINGENCY AMOUNT:

\$ 111,500.00

(3) If Buyers do not obtain a written mortgage commitment by complying with Paragraph 23 of the Terms and Conditions - Purchase Agreement by 5/25/94, then the entirety of the Terms and Conditions - Purchase Agreement, Paragraph 23, "Mortgage Contingency" remain in effect.

KHOV034611

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE

3/30/94

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE

94-0326

"BUYER"

William S. Conyers

WITNESS AS TO SIGNATURE
OF ALL BUYERS

Sue Weems

FORMS DS/PR/INCE
02/12/90

KHOV034612

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): WILLIAM T CONYERS, JR. (u) of 1343 MERIDIAN PLACE NW
Tel: Res: (202) 232-6444 WASHINGTON,
Bus: (202) 273-0181 DC ,20010.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.16
BLDG NO.: 22 , UNIT NO: H2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

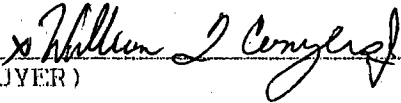
| | | | | | |
|---------------------|---------------------|--------------|-------------------------|---------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 26-MAR-1994 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 26-MAR-1994 |
| | ADDITIONAL DEPOSIT | \$ | 2,298.50 | BY DATE | 25-APR-1994 |
| | BALANCE at CLOSING | \$106,651.50 | PAID by CERTIFIED CHECK | | |
| | Total PAYMENT | \$109,950.00 | | | |

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 25-MAY-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

| | |
|--|--------|
|  | 940326 |
| (BUYER) | DATE |
| (BUYER) | DATE |
| (BUYER) | DATE |
| (BUYER) | DATE |

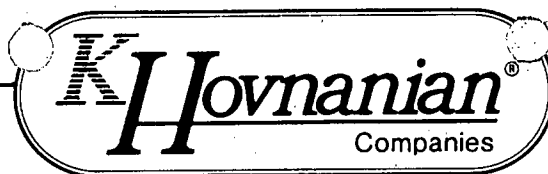
(SELLER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034637



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, if Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 26th day of March, 1994.

Buyer: William S. Conyers

Jim M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BUYER

DATE

BY:

Laura Van Velthoven
LAURA VAN VELTHOVEN,
SALES MANAGER

DATE

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): WILLIAM T CONYERS, JR. (u) of 1343 MERIDIAN PLACE NW
Tel: Res: (202) 232-6444 WASHINGTON
Bus: (202) 273-0181 DC, 20010.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO.: 406, LOT NO: 22.16
BLDG NO.: 22, UNIT NO: H2, MODEL: 5TH1330-U UPPER

The PURCHASE PRICE: \$109,950.00
Consisting of:
BASE PRICE OF MODEL \$109,950.00

The PAYMENT TERMS: INITIAL DEPOSIT \$0.00 ON DATE 26-MAR-1994
ON SIGNING CONTRACT \$1,000.00 ON DATE 26-MAR-1994
ADDITIONAL DEPOSIT \$2,298.50 BY DATE 25-APR-1994
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT \$106,650.00 MORTGAGE CONTINGENCY DATE: 25-MAY-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

(BUYER) DATE 940326
(BUYER) DATE

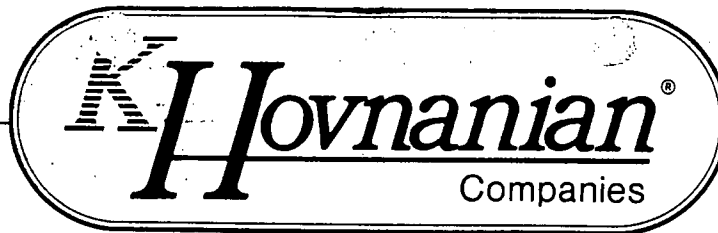
(SELLER) DATE (BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

These fees represent the charges for a mortgage closing...
OF TITLE - Closing of title...
Seller is to deliver a...
which may be a temporary Certificate...
may have his own attorney at his own expense...
is for the sale of a...
and the time specified by...
12 buyer have Buyer reimburse...
closing the closing to another...
price plus optional upgrade...
bank cashiers check...
offer agrees to deliver a...
closing of title...
posed to do business in the State...
ing-B. Ealantowns New Jersey...
all constitute good and marketable title...
an affiliate of the Seller.

KHOV034643



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: William Cuyers

BLDG/UNIT: 2242

MODEL: 1330

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3/26, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

| | |
|-------------------------|-----------------|
| <u>x William Cuyers</u> | <u>94-03-26</u> |
| BUYER | DATE |
| _____
BUYER | _____
DATE |
| _____
BUYER | _____
DATE |
| _____
BUYER | _____
DATE |



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034644

Information Sheet

The Title Insurance Commitment is a legal contract between you and Chicago Title Insurance Company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY

If you have any questions about the Commitment, contact the issuing office.



Title Insurance Commitment



Chicago Title Insurance Company

171 North Clark Street
Chicago, Illinois 60601-3294

Issuing Office:
HOME TITLE AGENCY OF NJ, INC.
532 Broad Street
Bloomfield, NJ 07003
(201) 429-2600

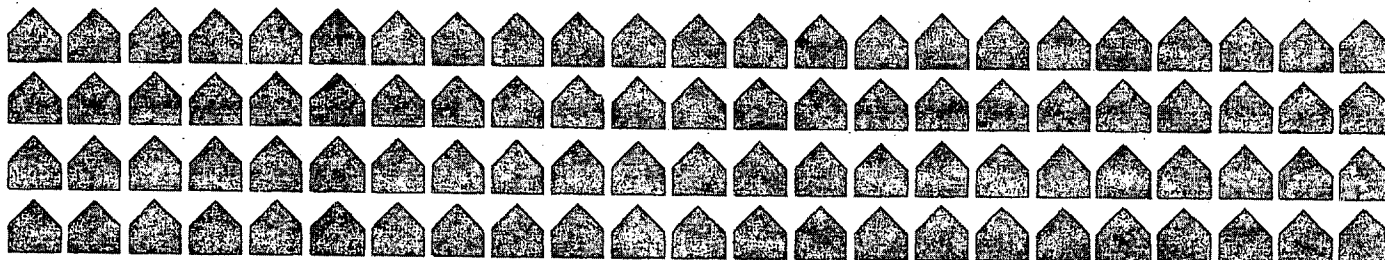


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| AGREEMENT TO ISSUE POLICY | 1 | SCHEDULE B-1-REQUIREMENTS | INSERT |
| SCHEDULE A | INSERT | SCHEDULE B-2-EXCEPTIONS | INSERT |
| 1. Commitment Date | | | |
| 2. Policies to be Issued, Amounts and Proposed Insureds | | | |
| 3. Interest in the Land and Owner | | | |
| 4. Description of the Land | | CONDITIONS | 2 |

KHOV034657

Chicago Title Insurance Company
95-HT-0286

1. Commitment Date: March 13, 1995 redated: by
redated: by

2. Policy or Policies to be issued: Policy Amount

(a) [X] Residential Title Insurance Policy (06/01/87) \$33,700.00
American Land Title Association
(Owner's Form)

Proposed Insured: LILLIAN E. BOOKER, WIDOW

(b) [] Loan Policy - (10/17/92)
American Land Title Association
(Lender's Form)

Proposed Insured: NONE

(c) []

Proposed Insured:

3. FEE SIMPLE interest in the land described in this Commitment is owned, at the Commitment Date, by K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. by deed from K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION II, INC., A NEW JERSEY CORPORATION, dated December 31, 1993, recorded May 11, 1994 in the Essex County Clerk's/Register's Office in Deed Book 5309, Page 469; AND BY DEED FROM K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION II, INC., A NEW JERSEY CORPORATION DATED JANUARY 14, 1993 RECORDED JANUARY 21, 1993 IN DEED BOOK 5245 PAGE 302; AND BY DEED FROM K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION II, INC. DATED NOVEMBER 11, 1992 RECORDED DECEMBER 29, 1992 IN DEED BOOK 5242 PAGE 423.

4. The land referred to in this Commitment is described as follows:
(if the land is not described here, it is described on the attached sheet.)

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HT-0286

**SCHEDULE A
NUMBER 4
(CONTINUED)**

DESCRIPTION

All that certain tract, lot and parcel of land lying and being in the City of Newark County of Essex and State of New Jersey being more particularly described as follows:

UNIT 11 IN BUILDING 22, SITUATED IN "SOCIETY HILL AT UNIVERSITY HEIGHTS III, A CONDOMINIUM", TOGETHER WITH A .1964 UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS OF SAID CONDOMINIUM (REFERRED TO IN THIS DEED AS THE "CONDOMINIUM UNIT"). THE CONVEYANCE EVIDENCED BY THIS DEED IS MADE UNDER THE PROVISIONS OF AND IS SUBJECT TO THE NEW JERSEY CONDOMINIUM ACT (N.J.S.A. 46:8B-1 ET SEQ.) AND THE PLANNED REAL ESTATE DEVELOPMENT ACT (N.J.S.A. 45:22A-21 ET SEQ.) AS AMENDED, AND ANY APPLICABLE REGULATIONS ADOPTED UNDER EITHER LAW. THE CONVEYANCE EVIDENCED BY THIS DEED IS ALSO MADE IN ACCORDANCE WITH THE TERMS, LIMITATIONS, CONDITIONS, COVENANTS, RESTRICTIONS, EASEMENTS, AGREEMENTS AND OTHER PROVISIONS SET FORTH IN THAT CERTAIN MASTER DEED FOR SOCIETY HILL AT UNIVERSITY HEIGHTS III, A CONDOMINIUM DATED DECEMBER 20, 1990 AND RECORDED ON DECEMBER 21, 1990 IN THE OFFICE OF THE REGISTER OF ESSEX COUNTY IN BOOK 5151 AT PAGE 509, ET SEQ.; AS AMENDED BY FIRST AMENDMENT TO MASTER DEED DATED DECEMBER 20, 1990 RECORDED DECEMBER 21, 1990 IN DEED BOOK 5151 PAGE 611, ET SEQ.; AS AMENDED BY SECOND AMENDMENT TO MASTER DEED DATED JANUARY 15, 1991 RECORDED MARCH 12, 1991 IN DEED BOOK 5160 PAGE 593, ET SEQ.; AS AMENDED BY THIRD AMENDMENT TO MASTER DEED DATED SEPTEMBER 11, 1991 RECORDED SEPTEMBER 16, 1991 IN DEED BOOK 5183 PAGE 481, ET SEQ.; AS AMENDED BY FOURTH AMENDMENT DATED NOVEMBER 21, 1991 RECORDED JANUARY 27, 1992 IN DEED BOOK 5199 PAGE 213, ET SEQ.; AS AMENDED BY FIFTH AMENDMENT DATED JANUARY 11, 1993 RECORDED JANUARY 21, 1993 IN DEED BOOK 5245 PAGE 318, ET SEQ.; AS AMENDED BY SIXTH AMENDMENT DATED JULY 7, 1994 RECORDED AUGUST 2, 1994 IN DEED BOOK 5324 PAGE 175, ET SEQ. AS THE SAME MAY NOW OR HEREAFTER BE LAWFULLY AMENDED.

FOR INFORMATION ONLY:

BEING KNOWN AS LOT 22.17 IN BLOCK 406 ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, ESSEX COUNTY, NEW JERSEY.

BEING ALSO KNOWN AS 51A WITCLIFF STREET, NEWARK, NEW JERSEY.

KHOV034659

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HT-0286

SCHEDULE B - SECTION 1
REQUIREMENTS

The following requirements must be met:

- C 1. Document(s) satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.

Deed from K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to LILLIAN E. BOOKER

- X 2. Pay the agreed amounts for the interest in the land and/or mortgage to be insured.

3. Pay us the premiums, fees and charges for the Policy.

- X 4. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

- C 5. An affidavit of title executed by the seller(s) must be obtained and the facts set forth therein must be considered.

- C 6. If the present transaction consists of a sale by a corporation, a certified copy of the Resolution of the Board of Directors authorizing the transaction together with a certificate that the corporation is in good standing and that the By-Laws have been complied with must be obtained.

- X 7. *The Company requires that a Notice of Settlement be filed pursuant to N.J.S.A. 46:16A-1 et seq. in connection with this transaction. Please note that the Notice now has a duration of forty-five (45) days.*

8. NEW JERSEY SUPERIOR COURT AND UNITED STATES DISTRICT COURT RETURNS DATED MARCH 21, 1995 , SHOWS CLEAR, SEE ATTACHED.

9. CORPORATE STATUS REPORT OF K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. DATED JANUARY 6, 1995 SHOWS THE CHARTER OF SAID CORPORATION TO BE IN GOOD STANDING. THERE BEING NO LIENS FOR UNPAID FRANCHISE TAXES SAID CORPORATION THROUGH AND INCLUDING 1995.

(CONTINUE)

KHOV034660

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HT-0286

SCHEDULE B - SECTION 1
REQUIREMENTS

(CONTINUED)

ALAN 10. PROOF IS REQUIRED THAT ALL CONDOMINIUM DUES, CHARGES AND ASSESSMENTS HAVE BEEN PAID TO DATE. (A CERTIFICATE FROM THE CONDOMINIUM ASSOCIATION PURSUANT TO N.J.S.A., 46:8B-21 SHALL BE CONSIDERED SUFFICIENT PROOF.) IF REQUESTED PROOFS ARE NOT FORTHCOMING, THE POLICY WILL EXCEPT: "CONDOMINIUM DUES, CHARGES AND ASSESSMENTS, IF ANY, DUE AND OWING WITH RESPECT TO THE PREMISES IN QUESTION."

ALAN 11. WE REQUIRE PROOF OF PAYMENT OF ALL DUES, CHARGES AND ASSESSMENTS DUE AND OWING TO THE UNIVERSITY HEIGHTS COMMUNITY BUILDING ASSOCIATION, A SEPARATE AGENCY, AS SET FORTH IN THE FIFTH AMENDMENT OF THE MASTER DEED. THIS IS IN ADDITION TO THE CERTIFICATION REQUIRED BY THE CONDOMINIUM ASSOCIATION.

C 12. WE REQUIRE THAT THE AFFORDABLE HOUSING AGREEMENT, A COPY OF WHICH IS SET FORTH IN THE MASTER DEED IN DEED BOOK 5151 PAGE 509 AT PAGE 594, BETWEEN THE BUYER AND THE CITY OF NEWARK HOUSING AUTHORITY MUST BE RECORDED IN THE ESSEX COUNTY REGISTER'S OFFICE.

X 13. A SECOND REPAYMENT MORTGAGE, A COPY OF WHICH IS PROVIDED IN THE MASTER DEED IN DEED BOOK 5151 PAGE 509 AT PAGE 603, MUST BE EXECUTED BY THE BUYER AND RECORDED IN THE ESSEX COUNTY REGISTER'S OFFICE.

DE 14. THIS COMPANY HAS DETERMINED THAT THE SIXTH AMENDMENT TO THE MASTER DEED IN DEED BOOK 5324 PAGE 175 BE AMENDED IN VIEW OF THE APPARENT ERRONEOUS DESCRIPTION OF THE PHASED-IN PREMISES. Phased wrong (MASTER DESD) 6th Amend.

C Attorney NOTE: SOLELY FOR THE PURPOSES OF EXPEDITING THE ISSUANCE OF THE FINAL TITLE POLICIES, THE COMPANY REQUIRES A COPY OF THE REAL ESTATE PROCEDURE STATEMENT (RESPA) WHERE APPLICABLE.

PART II:

U.S. DISTRICT AND NEW JERSEY SUPERIOR COURT SEARCHES SHOW RETURNS AS OF MARCH 21, 1995 AGAINST THE NAME(S) LILLIAN E. BOOKER THE PROPOSED INSURED (COPY ATTACHED).

KHOV034661

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HT-0286

SCHEDULE B - SECTION 2
EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

1. Rights or claims of parties in possession of the land not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. Survey to be submitted by applicant
4. Any liens on your title, arising now or later, for labor and material, not shown by the public records.
5. Taxes, charges and assessments as described on the attached sheet.
6. The 0 mortgage(s) and assignment(s) of mortgage(s) as described on the attached sheet.
7. TERMS, PROVISIONS, CONDITIONS, RESTRICTIONS AND EASEMENTS CONTAINED IN THE MASTER DEED AND BY-LAWS IN DEED BOOK 5151 , PAGE 509, ET SEQ. AS AMENDED BY FIRST AMENDMENT IN DEED BOOK 5151 PAGE 611, ET SEQ., AS AMENDED BY SECOND AMENDMENT IN DEED BOOK 5160 PAGE 593, ET SEQ., AS AMENDED BY THIRD AMENDMENT IN DEED BOOK 5183 PAGE 481, ET SEQ., AS AMENDED BY FOURTH AMENDMENT IN DEED BOOK 5199 PAGE 213, ET SEQ., AS AMENDED BY FIFTH AMENDMENT IN DEED BOOK 5245 PAGE 318, ET SEQ. AS AMENDED BY SIXTH AMENDMENT IN DEED BOOK 5324 PAGE 175, ET SEQ., AS THE SAME MAY BE NOW OR THEREAFTER LAWFULLY AMENDED; BUT POLICY INSURES THAT THE PREMISES FORMS A PART OF A VALIDLY CREATED CONDOMINIUM PURSUANT TO N.J.S.A. 46:8B-1, ET SEQ.
8. EASEMENT AS SET FORTH IN DEED BOOK 5245 PAGE 307.
9. GRANT TO PUBLIC SERVICE ELECTRIC AND GAS CO. AND NEW JERSEY BELL TELEPHONE COMPANY AS SET FORTH IN DEED BOOK 5236, PAGE 615.

(CONTINUE)

KHOV034662

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HT-0286

SCHEDULE B - SECTION 2
EXCEPTIONS
(CONTINUED)

10. PRIVATE RIGHTS, INCLUDING, WITHOUT LIMITATION, THE RIGHTS OF UTILITY COMPANIES, IN AND TO SO MUCH OF THE PREMISES IN QUESTION AS LIES WITHIN THE BEDS OF ACADEMY STREET; WILSEY STREET AND SCHOOL STREET.
11. LIEN OF UNPAID REAL ESTATE TAXES FOR THE YEAR 1994. NOTE: THE PREMISES DESCRIBED HEREIN CONSTITUTE A UNIT IN A CONDOMINIUM WHICH HAS BEEN CREATED AND ESTABLISHED BY THE RECORDING OF THE MASTER DEED REFERRED TO HEREIN. THE PREMISES DESCRIBED IN SAID MASTER DEED WILL BE ASSESSED AS A SINGLE TAX PARCEL FOR THE YEAR 1995. POLICY WILL EXCEPT LIABILITY FOR ADDITIONAL ASSESSMENTS FOR TAXES UPON A SEPARATE ASSESSMENT OF THE UNIT DESCRIBED HEREIN AS A SEPARATE TAX PARCEL.
12. THE INSURED PREMISES IS BENEFITED BY A TAX ABATEMENT, POLICY WILL EXCEPT THE LIEN WHICH MAY ATTACH BY REASON OF ANY RESTORATION OF REAL PROPERTY TAXES RESULTING FROM THE TRANSFER OF TITLE BY THE OWNER ENTITLED TO SAID EXEMPTION.
13. SUBJECT TO THE SECOND REPAYMENT MORTGAGE FROM LILLIAN E. BOOKER TO THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS OF THE CITY OF NEWARK HOUSING AUTHORITY DATED ____ RECORDED ____ IN THE MORTGAGE BOOK ____ PAGE ____ (TO BE RECORDED).
14. AFFORDABLE AGREEMENT BETWEEN LILLIAN E. BOOKER TO THE CITY OF NEWARK HOUSING AUTHORITY DATED ____ RECORDED ____ IN DEED BOOK ____ PAGE ____ (TO BE RECORDED).
15. TERMS AND CONDITIONS OF THE DEED INTO THE UNIT OWNER.

KHOV034663

TITLE INSURANCE COMMITMENT

Chicago Title Insurance Company
95-HI-0286

SCHEDULE B - SECTION 2
EXCEPTION NUMBER 5
(CONTINUED)

TAXES, CHARGES AND ASSESSMENTS

BLOCK 406

LOT

22.17 THRU 22.17

- (a) Liability for additional assessment for taxes in connection with new construction pursuant to N.J.S.A. 54:4-63.1 and the following sections.
- (b) TAX SEARCH (ON ORDER)
- (c) UNCONFIRMED ASSESSMENT SEARCH, REPORTED FOR INFORMATION ONLY.
(ON ORDER)

FINAL METER READING IS REQUIRED TO BE PERFORMED PRIOR TO CLOSING.

INFORMATION

Our policy does not insure against taxes, water rates, assessments and other matters relating to taxes which have not become a lien up to the date of the policy or installments due after the date of the policy.

Taxes become a lien on lands on January 1st of each year and are payable in quarterly installments on February 1st, May 1st, August 1st and November 1st.

KHOV034664

DEED

This Deed is made on December 31, 1993

Prepared by: (Print signer's name below signature)
[Signature]
ROBERT M. SCHWARTZ, ESQ.

BETWEEN

K. Movnarian at Newark Urban Renewal Corporation II, Inc.

a corporation of the state of New Jersey
having its principal office at 65 Jackson Drive, P.O. Box 1191, Cranford, NJ 07016
referred to as the Grantor,

AND

K. Movnarian at Newark Urban Renewal Corporation III, Inc.

whose post office address is 65 Jackson Drive, P.O. Box 1191, Cranford, New Jersey 07016
referred to as the Grantee.

The word "Grantee" shall mean all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of one (\$1.00) dollar and other valuable consideration.

The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of Newark
Block No. See below Lot No. Account No.
☐ No property tax identification number is available on the date of this Deed. (Check box if applicable.)

Property. The property consists of the land and all the buildings and structures on the land in the City of Newark
County of Essex and State of New Jersey. The legal description is:

See Schedule A attached hereto being the same premises conveyed to Grantor by two separate deeds from the City of Newark dated December 31, 1993 which deeds are being recorded simultaneously herewith.

Received & Recorded
Register's Office
Essex County, NJ
MAY 11, 12:35 PM '94
Larrie W. Stalks
B94001564110570169

BK5309PC 469

KHOV034667

DEED

Prepared By: (Print signer's name below signature)

Robert M. Schwartz

This Deed is made on January 14, 1993

BETWEEN

K. Hovnanian at Newark Urban Renewal Corporation II, Inc.

a corporation of the state of New Jersey
having its principal office at 10 Highway 35, Red Bank, NJ 07701

referred to as the Grantor.

AND

K. Hovnanian at Newark Urban Renewal Corporation III, Inc.

whose post office address is 10 Highway 35, Red Bank, NJ 07701

referred to as the Grantee.

The word "Grantee" shall mean all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of \$1.00 receipt of which is acknowledged.

The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of Newark, New Jersey

Block No.

Lot No.

Account No.

☒ No property tax identification number is available on the date of this Deed. (Check box if applicable.)

Property conveyed will hereafter be designated by the City of Newark as a part of the City of Newark. The property consists of the land and all the buildings and structures on the land in the City of Newark and State of New Jersey. The legal description is:

Tax Block 466
the City of
County of Essex

See description attached as Schedule A.

RECEIVED & RECORDED
REGISTER'S OFFICE
ESSEX COUNTY, NJ
JAN 21 11:07 AM '93
LARRY N. STOLKS
RECORDED/110-06733
Consideration: \$1
R. I. I. : \$0.00

KHOV034670

SCHEDULE A

All that certain tract or parcel of land and premises, hereinafter particularly described, situate, lying and being in the City of Newark, County of Essex and State of New Jersey, being commonly known and described on the Official Tax Map and Tax Duplicate of the City of Newark 1992 to wit as follows:

The vacated street bed of Newark Street between the north side of West Market Street and the south side of Academy Street, vacated street bed of Wilsey Street between the north side of West Market Street and the north side of School Street, the vacated street bed of Academy Street between the east side of Norfolk and the west side of Wickliffe Street and the vacated street bed of School Street between the west side of Wilsey Street and the west side of Wickliffe Street.

Being a portion of the same streets that were vacated by action of the City Council of the City of Newark by Ordinance Nos. 6S&FH, 6S&Fi, 6S&FJ and 6S&FK all dated October 21, 1992, copies of which are attached hereto as Schedule A, Parts 1-4.

Being the same premises conveyed to Grantor by the City of Newark by deed dated January 14, 1993, which deed is being recorded simultaneously herewith.

BK5245Pg 303

KHOV034671

RECEIVED & RECORDED
DEEDS SECTION
JAN 21 11:11 AM '93
OFFICE OF THE
CLERK OF THE
SUPERIOR COURT
STATE OF NEW JERSEY
DEED OF EASEMENT

ROBERT M. SCHWARTZ
ATTORNEY AT LAW
STATE OF NEW JERSEY

THIS INDENTURE made this 14th day of January, 1993 between K. Hovnanian at Newark Urban Renewal Corp. III, Inc., with offices at 10 Highway 35, P.O. Box 500, Red Bank, New Jersey 07701, hereinafter referred to as the Grantor, and Columbus Holding Company, Inc., A New Jersey Corporation, with offices at 2-10 School Street, Newark, New Jersey 07102, hereinafter referred to as the Grantee.

For and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, paid to the Grantor, receipt of which is hereby acknowledged, the Grantor by these presents, grants, bargains, sells, aliens, releases, conveys and confirms unto the said Grantee, and to its successors and assigns forever, a perpetual, nonexclusive easement upon, through and across the portion of Common Elements of Society Hill at University Heights III, A Condominium ("Condominium") described hereafter for the limited purposes of permitting vehicular and pedestrian access, ingress and egress to the rear loading dock and parking area within City of Newark Tax Block 404, Tax Lots 10, 11 and 13. This easement is limited to the normal business hours of the Grantee, its successors and assigns for businesses conducted on Tax Block 404, Lots 10, 11 and 13.

The area of the Common Elements of the Condominium subject to this easement is limited to the 24(±) foot wide paved roadway to be located within an area 476.18(±) feet along the westerly side of the Wickliffe Street right of way measured from the Northwest corner of Wickliffe and West Market Streets to a point of BEGINNING then:

- 1) Along the westerly side of the Wickliffe Street right of way, North 19 degrees, 20 minutes, 54 seconds East, for 50.11 feet; then
- 2) Along the northern side of the former School Street right of way North 66 degrees, 50 minutes, 06 seconds West, for 166(±) feet; then
- 3) North 23 degrees, 09 minutes, 54 seconds East, for 50(±) feet; then
- 4) North 66 degrees, 50 minutes 06 degrees West for 166.25 feet to the place of BEGINNING.

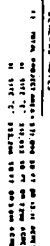
The above area is the Wickliffe Street entrance to the Condominium depicted in the shaded area of the April 4, 1990 (last revised June 1, 1992) Metes and Bounds Survey of Society Hill at University Heights III, Sites "C and E" prepared by Gerard A. Lupo, L.S., and is graphically shown on Schedule A hereto. Said easement is within a portion of the City of Newark Tax Block 406 formerly the street bed of School Street, which was vacated by the City of Newark by ordinance enacted prior to the date hereof and conveyed to the Grantor by deed from the City of Newark dated January 14, 1993 (which conveys other property), said deed being recorded simultaneously herewith.

This easement shall be strictly limited to the forgoing use and location. Nothing herein shall be construed as granting any further rights, title or interest, express or implied, to any of the Society Hill at University Heights III, A Condominium's Common Elements, Units or Limited Common Elements not specifically set forth herein. The Grantee and its successors and assigns shall not use the easement for any other purpose except ingress and egress. Specifically prohibited within the easement area is the repair and/or storage and/or parking of motor vehicles, equipment or material of any type. Grantee, its successors and assigns shall not create a nuisance nor do any act which would be detrimental to the property or Common Elements of Society Hill at University Heights III, A Condominium.

The use of the easement rights herein conferred upon Grantee shall constitute Grantee's agreement to indemnify and hold harmless the Grantor and its affiliated entities and the officers, directors, shareholders, employees and agents of each of same as well as the Society Hill at University Heights Condominium Association III, Inc., the Society Hill at University Heights Condominium Association II, Inc., the Society Hill at University Heights Condominium Association I, Inc. and the University Heights Community Building Association, Inc., and their members, officers, trustees, directors, employees and agents from any and all claims of all types and descriptions related to injury to person, persons or

BS 5245pc 307

KHOV034673



KHOV034674

DEED

Prepared by: (Print signor's name below signature)

Robert N. Schwartz, Esq.

This Deed is made on November 11, 1992

BETWEEN

K. Movnanian at Newark Urban Renewal Corp. II, Inc.

a corporation of the state of New Jersey
having its principal office at 10 Highway 35, P.O. Box 500, Red Bank, NJ 07701
referred to as the Grantor,

AND

K. Movnanian at Newark Urban Renewal Corp. III, Inc.

whose post office address is 10 Highway 35, P.O. Box 500, Red Bnnk, NJ 07701
referred to as the Grantee.
The word "Grantee" shall mean all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of one dollar (\$1.00)

The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of
Block No. See list below Lot No. Account No.
☐ No property tax identification number is available on the date of this Deed. (Check box if applicable.)

Property. The property consists of the land and all the buildings and structures on the land in the City of Newark
County of Essex and State of New Jersey. The legal description is:

Received & Recorded
Register's Office
Essex County, NJ
DEC 29, 01:07 PM '92
Larrie M. Stalks
89200437110400485
Consideration: \$1
R. T. : \$0.00

BK 5242 PG 423

KHOV034675

Description
of Land

Property being known as Block 406.
1,2,3,6,8 thru 17.

Lots

Block 407

, Lots 6,7 and 9.

Block 405
24 and 27 thru 32.

, Lots 1 thru 16, 20 thru

Block 404
33, 35 and 36

, Lots 2,4,6,7,8,9, 16 thru

KHOV034676

Description
of Land

Property being known as Block 406 (Tract I on the attached), Lots
1, 2, 3, 6, 8 thru 17.

Block 407 (Tract II on the attached), Lots 6, 7 and 9.

Block 405 (Tract III on the attached), Lots 1 thru 16, 20 thru
24 and 27 thru 32.

Block 404 (Tract IV on the attached), Lots 2, 4, 6, 7, 8, 9, 16 thru
33, 35 and 36.

BK 5242 PG. 425

KHOV034677

RECEIVED & RECORDED
Deed Book 100
Page 100
JAN 21 11:11 AM '93
OFFICE OF THE CLERK
STATE OF NEW JERSEY
DEED OF EASEMENT

ROBERT N. SCHWARTZ
ATTORNEY AT LAW
STATE OF NEW JERSEY

THIS INDENTURE made this 14th day of January, 1993 between K. Hovnanian at Newark Urban Renewal Corp. III, Inc., with offices at 10 Highway 35, P.O. Box 500, Red Bank, New Jersey 07701, hereinafter referred to as the Grantor, and Columbus Holding Company, Inc., A New Jersey Corporation, with offices at 2-10 School Street, Newark, New Jersey 07102, hereinafter referred to as the Grantee.

For and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, paid to the Grantor, receipt of which is hereby acknowledged, the Grantor by these presents, grants, bargains, sells, aliens, releases, conveys and confirms unto the said Grantee, and to its successors and assigns forever, a perpetual, nonexclusive easement upon, through and across the portion of Common Elements of Society Hill at University Heights III, A Condominium ("Condominium") described hereafter for the limited purposes of permitting vehicular and pedestrian access, ingress and egress to the rear loading dock and parking area within City of Newark Tax Block 404, Tax Lots 10, 11 and 13. This easement is limited to the normal business hours of the Grantee, its successors and assigns for businesses conducted on Tax Block 404, Lots 10, 11 and 13.

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- 2) Along the northern side of the former School Street right of way North 66 degrees, 50 minutes, 06 seconds West, for 166(±) feet; then
- 3) North 23 degrees, 09 minutes, 54 seconds East, for 50(±) feet; then
- 4) North 66 degrees, 50 minutes 06 degrees West for 166.25 feet to the place of BEGINNING.

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This easement shall be strictly limited to the forgoing use and location. Nothing herein shall be construed as granting any further rights, title or interest, express or implied, to any of the Society Hill at University Heights III, A Condominium's Common Elements, Units or Limited Common Elements not specifically set forth herein. The Grantee and its successors and assigns shall not use the easement for any other purpose except ingress and egress. Specifically prohibited within the easement area is the repair and/or storage and/or parking of motor vehicles, equipment or material of any type. Grantee, its successors and assigns shall not create a nuisance nor do any act which would be detrimental to the property or Common Elements of Society Hill at University Heights III, A Condominium.

The use of the easement rights herein conferred upon Grantee shall constitute Grantee's agreement to indemnify and hold harmless the Grantor and its affiliated entities and the officers, directors, shareholders, employees and agents of each of same as well as the Society Hill at University Heights Condominium Association III, Inc., the Society Hill at University Heights Condominium Association II, Inc., the Society Hill at University Heights Condominium Association I, Inc. and the University Heights Community Building Association, Inc., and their members, officers, trustees, directors, employees and agents from any and all claims of all types and descriptions related to injury to person, persons or

BK524575 307

KHOV034678



Title Insurance Commitment
By
Chicago Title Insurance Company



Agreement To Issue Policy

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within nine (9) months after the Commitment Date, our obligation under this commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The PROVISIONS in SCHEDULE A.
- The REQUIREMENTS in SCHEDULE B-1
- The EXCEPTIONS in SCHEDULE B-2
- The CONDITIONS on Page 2

KHOV034688

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.

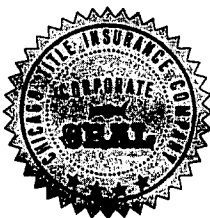


Conditions

- | | | |
|---|--|---|
| 1. Definitions | a. "Mortgage" —a mortgage, deed of trust or other security instrument.
b. "Public Records" —title records that give | constructive notice of matters affecting the title—according to the state statutes where your land is located. |
| 2. Later Defects | The exceptions in Schedule B-Section 2 may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attach | between the Commitment Date and the date on which all of the Requirements (1) and (2) of Schedule B-Section 1 are met. We shall have no liability to you because of this amendment. |
| 3. Existing Defects | If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens | or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing. |
| 4. Limitation of Our Liability | Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:
• Comply with the Requirements shown in | Schedule B-Section 1
or
• Eliminate with our written consent any Exceptions shown in Schedule B-Section 2.
We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you. |
| 5. Claims Must Be Based On This Commitment | Any claim, whether or not based on negligence, which you may have against us concerning the | title to the land must be based on this Commitment and is subject to its terms. |

American
Land Title
Association

Title Insurance
Commitment-1982
(Rev. 10-19-88)



CHICAGO TITLE INSURANCE COMPANY

By

Richard J. Polley

President.

Attest:

Thomas J. Adams

Secretary.

Form 10971
(Rev. 10-19-88)

Countersigned

Gerald R. Aldi

Authorized Signatory

GERALD R. ALDI, ESQ.
95-HT-0286

KHOV034689

SCHEDULE B - SECTION 1
REQUIREMENTS

(CONTINUED)

PLAN
PLAN
10. PROOF IS REQUIRED THAT ALL CONDOMINIUM DUES, CHARGES AND ASSESSMENTS HAVE BEEN PAID TO DATE. (A CERTIFICATE FROM THE CONDOMINIUM ASSOCIATION PURSUANT TO N.J.S.A., 46:8B-21 SHALL BE CONSIDERED SUFFICIENT PROOF.) IF REQUESTED PROOFS ARE NOT FORTHCOMING, THE POLICY WILL EXCEPT: "CONDOMINIUM DUES, CHARGES AND ASSESSMENTS, IF ANY, DUE AND OWING WITH RESPECT TO THE PREMISES IN QUESTION."

11. WE REQUIRE PROOF OF PAYMENT OF ALL DUES, CHARGES AND ASSESSMENTS DUE AND OWING TO THE UNIVERSITY HEIGHTS COMMUNITY BUILDING ASSOCIATION, A SEPARATE AGENCY, AS SET FORTH IN THE FIFTH AMENDMENT OF THE MASTER DEED. THIS IS IN ADDITION TO THE CERTIFICATION REQUIRED BY THE CONDOMINIUM ASSOCIATION.

C
12. WE REQUIRE THAT THE AFFORDABLE HOUSING AGREEMENT, A COPY OF WHICH IS SET FORTH IN THE MASTER DEED IN DEED BOOK 5151 PAGE 509 AT PAGE 594, BETWEEN THE BUYER AND THE CITY OF NEWARK HOUSING AUTHORITY MUST BE RECORDED IN THE ESSEX COUNTY REGISTER'S OFFICE.

13. A SECOND REPAYMENT MORTGAGE, A COPY OF WHICH IS PROVIDED IN THE MASTER DEED IN DEED BOOK 5151 PAGE 509 AT PAGE 603, MUST BE EXECUTED BY THE BUYER AND RECORDED IN THE ESSEX COUNTY REGISTER'S OFFICE.

14. THIS COMPANY HAS DETERMINED THAT THE SIXTH AMENDMENT TO THE MASTER DEED IN DEED BOOK 5324 PAGE 175 BE AMENDED IN VIEW OF THE APPARENT ERRONEOUS DESCRIPTION OF THE PHASED-IN PREMISES. Phased wrong (MASTER DEED) 6th Amend

NOTE: SOLELY FOR THE PURPOSES OF EXPEDITING THE ISSUANCE OF THE FINAL TITLE POLICIES, THE COMPANY REQUIRES A COPY OF THE REAL ESTATE PROCEDURE STATEMENT (RESPA) WHERE APPLICABLE.

PART II:

U.S. DISTRICT AND NEW JERSEY SUPERIOR COURT SEARCHES SHOW RETURNS AS OF MARCH 21, 1995 AGAINST THE NAME(S) LILLIAN E. BOOKER THE PROPOSED INSURED (COPY ATTACHED).

22 phase
23

KHOV034698

AMENDMENT TO PURCHASE AGREEMENT
(UNIT PRICE)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc.,
Seller; and

LILLIAN E. BOOKER

, Buyer.

UNIT II, BLDG. 22

PURCHASE AGREEMENT DATED: 3/18/95

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended.

(2) The "PURCHASE PRICE" set forth in the Summary of Basic Provisions for this applicable Unit and its component parts are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

THE PURCHASE PRICE: \$ 33,700.00

Consisting of:

BASE PRICE of MODEL: \$ 33,700.00
and Premiums:

\$ _____

\$ _____

\$ _____

\$ _____

(3) Any excess deposit monies caused by the above shall be refunded or credited to Buyer at the closing, as applicable.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 3-23-95

"SELLER"

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

DATE 3-18-95

"BUYER"

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Sin Weems

FORM PR/DOR
1/22/90

KHOV034707

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LILLIAN E BOOKER (u) of 117 ROSE STREET/APT 1B
Tel: Res: (201) 824-6249 NEWARK
Bus: () NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.17
BLDG NO.: 22 , UNIT NO: 11 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 91,950.00
Consisting of:
BASE PRICE of MODEL \$ 91,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 18-MAR-1995
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 18-MAR-1995
ADDITIONAL DEPOSIT \$ 1,758.50 BY DATE 17-APR-1995
BALANCE at CLOSING \$ 89,191.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 91,950.00

MORTGAGE AMOUNT : \$ 0.00 MORTGAGE CONTINGENCY DATE: NOT APPLCHL
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Lillian Booker 3-18-95
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

[Signature] 3-23-95
(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034708



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.

County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *William Booker*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

William Booker 3-18-95
BUYER DATE

BUYER DATE

BY: *[Signature]* 3-23-95
DATE

KHOV034712

PSN
AMENDMENT TO PURCHASE AGREEMENT
(UNIT PRICE)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc.,
Seller; and

LILLIAN E. BOOKER

_____, Buyer.

UNIT II, BLDG. 22

PURCHASE AGREEMENT DATED: _____

3/18/95

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended.

(2) The "PURCHASE PRICE" set forth in the Summary of Basic Provisions for this applicable Unit and its component parts are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

THE PURCHASE PRICE: \$ 33,700 . 00

Consisting of:

BASE PRICE of MODEL: \$ 33,700.00
and Premiums:

\$ _____

\$ _____

\$ _____

\$ _____

(3) Any excess deposit monies caused by the above shall be refunded or credited to Buyer at the closing, as applicable.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

"SELLER"

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

DATE 3-18-95

"BUYER"

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Lillian Booker

FORM PR/DOR
1/22/90

KHOV034713

REFERRAL DISCLOSURE

As purchasers of a home from one of the K. Hovnanian Companies, you may have been referred or recommended to K. Hovnanian Mortgage, Inc. by a representative of the Seller/Developer or Landarama, Inc. Please be advised that K. Hovnanian Mortgage, Inc. is an affiliate of both the Seller/Developer and Landarama, Inc. They are each separate and distinct corporations. However, K. Hovnanian Mortgage, Inc., the Seller/Developer and Landarama, Inc. are subsidiary companies of Hovnanian Enterprises, Inc.

YOU ARE UNDER NO OBLIGATION TO USE THE MORTGAGE SERVICES OF K. HOVNANIAN MORTGAGE, INC. WHICH IS AFFILIATED WITH BOTH THE SELLER/DEVELOPER AND THE REAL ESTATE LICENSEE, LANDARAMA, INC. YOU MAY OBTAIN YOUR MORTGAGE LOAN FROM ANOTHER SOURCE.

The following is a list of the range of charges generally made by K. Hovnanian Mortgage, Inc. in connection with a mortgage loan transaction:

Application Fee: \$0 - \$195.00
Origination/Commitment Fee: \$0 - 1% of Loan Amount
Discount Fee: \$0 - 3% of Loan Amount
Appraisal: \$175.00 - \$225.00
Final Inspection (if necessary): \$50.00 - \$75.00
Credit Report: \$48.00 - \$55.00 (per report)
Flood Certification: \$14.50
Overnight Delivery (if necessary): \$18.50
Tax Service Fee: \$0 - \$102.00

NOTE: Fees vary by loan program. Please refer to the Good Faith Estimate (given at application) for more specific information.

Please sign below to acknowledge your receipt of this Disclosure and also to acknowledge your understanding that your use of K. Hovnanian Mortgage, Inc. is not required by the Seller/Developer or Landarama, Inc.

I have received a copy of this Disclosure. I understand that I am not required to use the services of K. Hovnanian Mortgage, Inc. as a mortgage lender in the purchase of my home.

Gillian Booker
Borrower

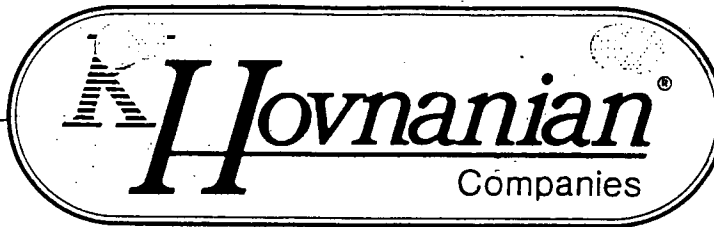
3-18-95
Date

Borrower

Date

(8/92)

KHOV034714



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Mr. Julian Booker* BLDG/UNIT: *3311* MODEL: *1150*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *3/18*, 1994⁵ I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

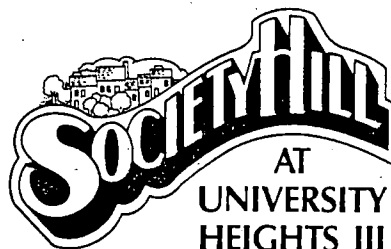
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION
THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Mr. Julian Booker *3-18-95*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034715

AK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 23

Unit No.: 12

The Purchase Agreement between Ollie R. Williams BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 2/5/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,129.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,125.39
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,004.31
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 102,945.80
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,514.70
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-19-94
DATE

Ollie R. Williams
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034720

ZZZ

K.HOVANIAN ONEWARK-URE RENEWAL CORP II

D.S.No : IW-22-12

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 19-FEB-1994

BLDG NO: 22 UNIT: I2
MODEL : STH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-feb-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|----------------------------------|----------------------|------------|----------|---------------|----------------------|
| 01---APPLIANCES--- | | | | | | |
| ABX01 | WASTE DISPOSAL | DISPOSAL | GEC29R | | | 130.00 <M |
| ADX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GSD500 | ALMOND | ALMOND | 340.00 <M |
| AFX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TBX19PAS | ALMOND | ALMOND | 740.00 |
| AMX01 | MICROWAVE OVEN | OVER RANGE (NON-VENT | JVM131 | BLACK | BLACK | 505.00 <M |
| ARS00 | RANGE | STANDARD RANGE | JGBC15GE | ALMOND | ALMOND | 0.00 |
| AWX02 | WASHER | WASHER SUPER CAPACIT | WWA8620R | WHITE | WHITE | 500.00 |
| AYX02 | DRYER | DRYER 5 CYCLE | XTRDDG7680 | WHITE | WHITE | 375.00 |
| 02---CABINETS--- | | | | | | |
| KCS00 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 4143-6 | NEUTRAL GLACE | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 39.33 SY | 3589 | WILD ROSE FCC0101A01 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 75.67 SY | 3589 | WILD ROSE FCC0102A01 |
| Zone: 03 | KITCHEN | | | | | |
| | LINOLEUM FLOORING | CAMBRAY | 19 SY | 68441 | | FLC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XFS01 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 1139.70 <M |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| NBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | STDBIFOLD | 4'0" | | 0.00 |
| NBS04 | BIFOLD DOORS | 2ND FLOOR LINEN | STDBIFOLD | 3'0" | | 0.00 |
| NBU00 | BIFOLD DOORS | LIVING ROOM STORAGE | NI-BIFOLD | 4'0" | | 150.00 <M |
| NBU01 | BIFOLD DOORS | MASTER BEDROOM | NI-BIFOLD | 4'0" | | 150.00 <M |
| NBU02 | BIFOLD DOORS | BEDROOM #2 | NI-BIFOLD | 4'0" | | 150.00 <M |

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *W. Williams*
PURCHASER: *W. Williams*
DATE: *2-19-94*

GRAND TOTAL \$ 4179.70
Incl. Mortg. Sel \$ 2564.70

SALES REP: *Jim Weiss*
SALES MGR: *Robert 2-25-94*
CONST. MGR: *3-7-94*

AMOUNT DUE NOW \$ 125.39
AMOUNT PAID NOW \$ 125.39 'CK'
AMOUNT DUE AT CLOS \$ 4054.31

KHOV034721

PROJECT : IW - SOCIETY HILL & UNIV. HEIGHTS III Etc

Printed: 19-FEB-1994

BLOG NO: 22 UNIT: 12
MODEL : SH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-feb-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|----------------------------------|----------------------|------------|----------|----------------|------------|
| 01---APPLIANCES--- | | | | | | |
| ABX01 | WASTE DISPOSAL | DISPOSAL | GEC29R | | | 130.00 <M |
| ADX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | BSD300 | ALMOND | ALMOND | 340.00 <M |
| AFX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TBX19PAS | ALMOND | ALMOND | 740.00 |
| AMX01 | MICROWAVE OVEN | OVER RANGE (NON-VENT | JVM131 | BLACK | BLACK | 505.00 <M |
| AKS00 | RANGE | STANDARD RANGE | JGBC15GE | ALMOND | ALMOND | 0.00 |
| AMX02 | WASHER | WASHER SUPER CAPACIT | WWA8620R | WHITE | WHITE | 500.00 |
| AYX02 | DRYER | DRYER 5 CYCLE | XTRUDG7680 | WHITE | WHITE | 375.00 |
| 02---CABINEIS--- | | | | | | |
| KCS00 | KITCHEN CABINETS | ALION LITE | | | | 0.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 4143-6 | NEUTRAL GLACE | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 39.33 SY | 3589 WILD ROSE | FCC0101A01 |
| Zone: 02 1ST FLOOR STAIRS/HALL | | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 75.67 SY | 3589 WILD ROSE | FCC0102A01 |
| Zone: 03 KITCHEN | | | | | | |
| | LINOLEUM FLOORING | CAMBRAY | 19 SY | 68441 | | FLC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XFS01 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 1139.70 <M |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| NBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | SYDBIFOLD | 4'0" | | 0.00 |
| NBS04 | BIFOLD DOORS | 2ND FLOOR LINEN | SYDBIFOLD | 3'0" | | 0.00 |
| NBU00 | BIFOLD DOORS | LIVING ROOM STORAGE | MI-BIFOLD | 4'0" | | 150.00 <M |
| NBU01 | BIFOLD DOORS | MASTER BEDROOM | MI-BIFOLD | 4'0" | | 150.00 <M |
| NBU02 | BIFOLD DOORS | BEDROOM #2 | MI-BIFOLD | 4'0" | | 150.00 <M |

17.

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Chie Williams
PURCHASER :
DATE : 2-19-94GRAND TOTAL \$ 4179.70
Incl. Mortg. Sel \$ 2564.70SALES REP : Jim Wums
SALES MGR : Robert 2-25-94
CONST. MGR : 3-7-94AMOUNT DUE NOW \$ 125.39
AMOUNT PAID NOW \$ 125.39 *CK*

AMOUNT DUE AT CLOS \$ 4054.31

KH0V034722

PROJECT : 14 - SOCIETY HILL @ UNIV. HEIGHTS III ETC

Printed: 19-FEB-1994

BLDG NO: 22 UNIT: 12
MODEL : SH1130-U XUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-Feb-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|----------------------------------|-----------------------|------------|---------------|----------------|------------|
| 01---APPLIANCES--- | | | | | | |
| ADX01 | WASTE DISPOSAL | DISPOSAL | GFC29R | | | 130.00 <M |
| ADX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GSD300 | ALMOND | ALMOND | 340.00 <M |
| AFX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TEX19PAS | ALMOND | ALMOND | 740.00 |
| AMX01 | MICROWAVE OVEN | OVER RANGE (NON-VENT) | JVM131 | BLACK | BLACK | 505.00 <M |
| ARS00 | RANGE | STANDARD RANGE | JGBC158E | ALMOND | ALMOND | 0.00 |
| AUX02 | WASHER | WASHER SUPER CAPACITY | WWAB620R | WHITE | WHITE | 500.00 |
| AYX02 | DRYER | DRYER 5 CYCLE | XTRD087680 | WHITE | WHITE | 375.00 |
| 02---CABINETS--- | | | | | | |
| KC500 | KITCHEN CABINETS | ALION LITE | | | | 0.00 |
| KT500 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | 4143-6 | NEUTRAL GLACE | | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 39.33 SY | 3589 WILD ROSE | FCC0101A01 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 75.67 SY | 3589 WILD ROSE | FCC0102A01 |
| Zone: 03 | KITCHEN | | | | | |
| | LINOLEUM FLOORING | CAMBRAY | 19 SY | 68441 | | FLC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XFS01 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 1139.70 <M |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| NBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | SYDBIFOLD | 4'0" | | 0.00 |
| NBS04 | BIFOLD DOORS | 2ND FLOOR LINEN | SYDBIFOLD | 3'0" | | 0.00 |
| NBU00 | BIFOLD DOORS | LIVING ROOM STORAGE | MI-BIFOLD | 4'0" | | 150.00 <M |
| NBU01 | BIFOLD DOORS | MASTER BEDROOM | MI-BIFOLD | 4'0" | | 150.00 <M |
| NBU02 | BIFOLD DOORS | BEDROOM #2 | MI-BIFOLD | 4'0" | | 150.00 <M |

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: William Williams
PURCHASER: 2-19-94
DATE: 2-19-94

GRAND TOTAL \$ 4179.70
Incl. Mortg. Sel \$ 2564.70

SALES REP: Jim Weiss
SALES MGR: Robert 2-25-94
CONST. MGR: 3-7-94

AMOUNT DUE NOW \$ 125.39
AMOUNT PAID NOW \$ 125.39 "CK"

AMOUNT DUE AT CLOS \$ 4054.31

KH0V034723

PROJECT : IM - SOCIETY HILL @ UNIV. HEIGHTS III EAC

Printed: 19-FEB-1994

BLDG NO: 32 UNIT: 12
MODEL : STM1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-FEB-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE | |
|--|-----------------------|----------------------|------------|----------|---------------|------------|------------|
| 01-----APPLIANCES----- | | | | | | | |
| ADX01 | WASTE DISPOSAL | DISPOSAL | GC23R | | | 130.00 <M | |
| ADX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GSDE00 | ALMOND | ALMOND | 340.00 <M | |
| AFX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TPX19PAS | ALMOND | ALMOND | 740.00 | |
| AMX01 | MICROWAVE OVEN | OVER RANGE (NON-VENT | JVM131 | BLACK | BLACK | 505.00 <M | |
| AKS00 | RANGE | STANDARD RANGE | JQBC150E | ALMOND | ALMOND | 0.00 | |
| AUX02 | WASHER | WASHER SUPER CAPACIT | UNAB620R | WHITE | WHITE | 500.00 | |
| AYX02 | DYER | DYER 5 CYCLE | XTRD67680 | WHITE | WHITE | 375.00 | |
| 02-----CABINETS----- | | | | | | | |
| KCS00 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 | |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 4143-6 | NEUTRAL GLACE | 0.00 | |
| 03-----FLOORING----- | | | | | | | |
| Zone: 01 | 2ND FLOOR | | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 39.33 SY | 3589 | WILD ROSE | FCC0101A01 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | | |
| | CARPETING | ANNIHILATOR | 27 | 75.67 SY | 3589 | WILD ROSE | FCC0102A01 |
| Zone: 03 | KITCHEN | | | | | | |
| | LINOLEUM FLOORING | CAMBRAY | 19 SY | 68441 | | FLC0103A00 | |
| Package includes UPGRADE Padding in carpeted areas | | | | | | | |
| YFS01 | FLOORING PACKAGES | STD. LAYOUT | | | | 1139.70 <M | |
| 04-----SELECTIONS: INTERIOR----- | | | | | | | |
| HBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | STD BIFOLD | 4'0" | | 0.00 | |
| HBS04 | BIFOLD DOORS | 2ND FLOOR LINEN | STD BIFOLD | 3'0" | | 0.00 | |
| HBU00 | BIFOLD DOORS | LIVING ROOM STORAGE | HI-BIFOLD | 4'0" | | 150.00 <M | |
| HBU01 | BIFOLD DOORS | MASTER BEDROOM | HI-BIFOLD | 4'0" | | 150.00 <M | |
| HBU02 | BIFOLD DOORS | BEDROOM #2 | HI-BIFOLD | 4'0" | | 150.00 <M | |

3%

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: [Signature]
PURCHASER: [Signature]
DATE: 2-25-94

GRAND TOTAL \$ 4179.70
Incl. Mortg. Sel \$ 2564.70

SALES REP: [Signature]
SALES MGR: [Signature]
CONST. MGR: [Signature]

AMOUNT DUE NOW \$ 125.39
AMOUNT PAID NOW \$ 125.39 "CK"

AMOUNT DUE AT CLOS \$ 4054.31

KH0V034724

PROJECT : IN - SOCIETY WILL @ UNIV. HEIGHTS III ETC

Printed: 19-FEB-1994

BLOG NO: 22 UNIT: 12
MODEL : SH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-Feb-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|----------------------------------|-----------------------|-----------|----------|----------------|------------|
| 01---APPLIANCES--- | | | | | | |
| ADY01 | WASTE DISPOSAL | DISPOSAL | QFC298 | | | 130.00 CH |
| ADY01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GSDB00 | ALMOND | ALMOND | 340.00 CH |
| AFX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TRX19PAS | ALMOND | ALMOND | 740.00 |
| AMX01 | MICROWAVE OVEN | OVER RANGE (NON-VENT) | JWH191 | BLACK | BLACK | 505.00 CH |
| AK500 | RANGE | STANDARD RANGE | JDBCL58E | ALMOND | ALMOND | 0.00 |
| AUX02 | WASHER | WASHER SUPER CAPACITY | UNW8620E | WHITE | WHITE | 500.00 |
| AYX02 | DRYER | DRYER 3 CYCLE | TRDUG7680 | WHITE | WHITE | 375.00 |
| 02---CABINETS--- | | | | | | |
| KC500 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 |
| KI500 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 4143-6 | NEUTRAL GLACE | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR CARPETING | ANNUNTIATOR | 27 | 39.33 SY | 3589 WILD ROSE | FCC0101A01 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | CARPETING | 27 | 75.67 SY | 3589 WILD ROSE | FCC0102A01 |
| Zone: 03 | KITCHEN LINOLEUM FLOORING | CARBREAY | 19 SY | 68441 | | FLC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| KFS01 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 1139.70 CH |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| NR503 | BIFOLD DOORS | 2ND FLOOR STORAGE | STDBIFOLD | 4'0" | | 0.00 |
| NR504 | BIFOLD DOORS | 2ND FLOOR LIREN | STDBIFOLD | 3'0" | | 0.00 |
| NR505 | BIFOLD DOORS | LIVING ROOM STORAGE | NI-BIFOLD | 4'0" | | 150.00 CH |
| NR501 | BIFOLD DOORS | MASTER BEDROOM | NI-BIFOLD | 4'0" | | 150.00 CH |
| NR502 | BIFOLD DOORS | BEDROOM #2 | NI-BIFOLD | 4'0" | | 150.00 CH |

3%

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PURCHASER : Williams
PURCHASER : Williams
DATE : 2-7-94

GRAND TOTAL \$ 4179.70
Incl. Mortg. Sel \$ 2564.70

SALES REP : Jim Williams
SALES MGR : 2-25-94
CONST. NOB : 2-7-94

AMOUNT DUE NOW \$ 125.39
AMOUNT PAID NOW \$ 125.39 "CH"
AMOUNT DUE AT CLOS \$ 4054.31

KH0V034725

PROJECT : IN - SOCIETY HILL & UNIV. HEIGHTS III EDC

Printed: 19-FEB-1994

BLOG NO: 22 UNIT: 12
MODEL : SCH150-U DUP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 05-Feb-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|----------------------------------|-----------------------|------------|----------|----------------|------------|
| 01---APPLIANCES--- | | | | | | |
| ADX01 | WASTE DISPOSAL | DISPOSAL | QEC298 | | | 130.00 CH |
| ADX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | ESDB00 | ALMOND | ALMOND | 340.00 CH |
| ADX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TBX19PAS | ALMOND | ALMOND | 740.00 |
| ADX01 | MICROWAVE OVEN | OVER RANGE (NON-VENT) | JVM131 | BLACK | BLACK | 505.00 CH |
| AKS00 | RANGE | STANDARD RANGE | JQBC15QE | ALMOND | ALMOND | 0.00 |
| AUX02 | WASHER | WASHER SUPER CAPACIT | WAAB620R | WHITE | WHITE | 500.00 |
| ATX02 | DRYER | DRYER 3 CYCLE | KYRDD07680 | WHITE | WHITE | 375.00 |
| 02---CABINETS--- | | | | | | |
| NCE00 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 |
| NCE00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 4143-6 | NEUTRAL GLACE | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR CARPETING | ANNIHILATOR | 27 | 39.33 SY | 3589 WILD ROSE | FCC0101A01 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL CARPETING | ANNIHILATOR | 27 | 75.67 SY | 3589 WILD ROSE | FCC0102A01 |
| Zone: 03 | KITCHEN LINOLEUM FLOORING | CANBRAY | | 19 SY | 68441 | FLE0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XES01 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 1139.70 CH |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| NBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | STDBIFOLD | 4'0" | | 0.00 |
| NBS04 | BIFOLD DOORS | 2ND FLOOR LINEN | STDBIFOLD | 3'0" | | 0.00 |
| NBU00 | BIFOLD DOORS | LIVING ROOM STORAGE | HI-BIFOLD | 4'0" | | 150.00 CH |
| NBU01 | BIFOLD DOORS | MASTER BEDROOM | HI-BIFOLD | 4'0" | | 150.00 CH |
| NBU02 | BIFOLD DOORS | BEDROOM #2 | HI-BIFOLD | 4'0" | | 150.00 CH |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER :
PURCHASER :
DATE :

GRAND TOTAL \$ 4174.70
Incl. Horig. Sel \$ 2364.70

SALES REP : *John Williams*
SALES MGR : *John Williams*
CONST. MGR : *John Williams*

AMOUNT DUE NOW \$ 125.39
AMOUNT PAID NOW \$ 125.39 "CH"
AMOUNT DUE AT CLOS \$ 4054.31

KHOV034726

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 23

Unit No.: 12

The Purchase Agreement between Ollie R. Williams BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/5/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,129.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,135.39
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,004.31
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 102,945.80
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,514.70
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-19-94
DATE

Ollie R. Williams
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034734

SUMMARY OF BASIC PROVISIONS

CC10

The SELLER: K. HOVNANIAN URBAN RENEWAL CORP. Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701

The BUYER(S): OLLIE R WILLIAMS (u) of 120 VASSAR AVENUE/2ND FLOOR
Tel: Res: (201) 310-7854 NEWARK
Bus: (201) 704-3919 NJ 07112

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.18
BUILD NO: 22 , UNIT NO: 12 , MODEL: KTH1150 U -UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 05-FEB-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 05-FEB-1994
ADDITIONAL DEPOSIT \$ 2,050.50 BY DATE: 07-MAR-1994
BALANCE at CLOSING \$ 98,891.50 PAID by CERTIFIED CHECK
Total PAYMENT \$101,950.00

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 06-APR-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landaruma, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV034738



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse: any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. INSULATION—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Comm. Expires Sept. 10, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 5th day of February, 1994.

Buyer: *Die R. Williams*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Die R. Williams 2-5-94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *[Signature]* 2-8-94
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): OLLIE R WILLIAMS (U) of 120 VASSAR AVENUE/2ND FLOOR
Tel: Res: (201) 318-7854 NEWARK
Bus: (201) 705-3919 NJ , 07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILLS @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.18
BLDG NO: 22 , UNIT NO: 12 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

| | | | | |
|---------------------|---------------------|--------------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE | 05-FEB-1994 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE | 05-FEB-1994 |
| | ADDITIONAL DEPOSIT | \$ 2,058.50 | BY DATE | 07-MAR-1994 |
| | BALANCE at CLOSING | \$ 98,891.50 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | \$101,950.00 | | |

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 06-APR-1994
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Ollie R Williams 2-5-94
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034744



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mrs. Williams BLDG./UNIT NO: 22-13 MODEL NO: 1150

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 2/5, 1994
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Mrs. Williams 2-5-94
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034746

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): INEZ HURSTON (u) of 467 CLINTON AVENUE/APT A
Tel: Res: (201) 622-5656 NEWARK
Bus: (201) 430-2706 NJ 07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.19
BLDG NO: 22 , UNIT NO: J1 , MODEL: STH1050-GL >LOWER M.L. L

The PURCHASE PRICE : \$ 33,700.00
Consisting of:
BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 07-JAN-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 07-JAN-1994
ADDITIONAL DEPOSIT \$ 11.00 BY DATE 06-FEB-1994
BALANCE at CLOSING \$ 32,689.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 33,700.00

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 08-MAR-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON- YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

Inez Hurston 1-7-94
(BUYER) DATE

(BUYER) DATE

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034766



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 7th day of January, 1994.

Buyer: [Signature]

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

[Signature] 1-7-94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: [Signature] 1.14.94
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

IC10

TERMS AND CONDITIONS: PURCHASE AGREEMENT
The BUYER(S): INEZ HURSTON of 467 CLINTON AVENUE/APT A
Tel: Res: (201) 622-5656 NEWARK
Bus: (201) 430-2706 NJ ,07108.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.19
BLDG NO.: 22 , UNIT NO: J1 , MODEL: STH1050-GL > LOWER M.L. L

49A WICKLIFFE ST.

| The PAYMENT TERMS | | AMOUNT | DATE |
|-------------------|----------------------------|---------------|-------------------------|
| 1. | INITIAL DEPOSIT | \$ 0.00 | ON DATE 07-JAN-1994 |
| 2. | HUCON SIGNING CONTRACT | \$ 101,000.00 | ON DATE 07-JAN-1994 |
| 3. | LICENSE | \$ 11.00 | BY DATE 06-FEB-1994 |
| 4. | ADDITIONAL DEPOSIT | \$ 11.00 | BY DATE 06-FEB-1994 |
| 5. | DEFAULT BALANCE at CLOSING | \$ 32,689.00 | PAID by CERTIFIED CHECK |
| 6. | SELLER'S CLOSING COSTS | \$ 0.00 | |
| 7. | BUYER'S CLOSING COSTS | \$ 0.00 | |
| 8. | INCREASE | \$ 0.00 | |
| 9. | Total PAYMENT | \$ 33,700.00 | |

19. PURCHASE AGREEMENT
20. SITE VISIT

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Mr. Max Thurston 1-7-94
(BUYER) DATE

(BUYER) _____ DATE _____

| | | | |
|-------------------------|------|---------|------|
| (SELLER) | DATE | (BUYER) | DATE |
| PERIOD: FROM [] TO [] | | | |
| SECTION ON ATTACHED [] | | | |
| (BUYER) | DATE | (BUYER) | DATE |

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: able to **Landarama, Inc.** and Development of the New Jersey Department of Community Affairs, Inc. provided, to no event shall **Attn: H^c Michael McGreevey** of the same office cancellation period. Interest as to **10 Highway 35, P.O. Box 11500** wards the same time period.

relatives and also mortgage application fee, credit report, and title insurance fee for the mortgagee. These fees expressly exclude escrows and prepay interest on the mortgage with assistance and are fees once a closing is incidental to a mortgage closing.

10. **ADJUSTMENT:** Taxes for the current year, month and assessment, maintenance fees, utilities, water and sewer charges and interest, if any, are to be apportioned as of the date of closing. There shall be no bill to be billed by the City until after the closing.

4. **CLOSING OF TITLE**—Closing of title to be held in escrow immediately after completion of the unit at the time/date specified by Seller in notice to Buyer but in no event more than the estimated completion date as stated on the SCHEDULE.

BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a term of a Certificate of Occupancy, together with the purchase agreement and the deed.

attorney. Buyer may have his own attorney at Buyer's own expense. The lender will close title even if all the improvements on the subject property are subject to a lien against the property.

other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land to the Buyer, if there are no unanticipated circumstances.

totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or intends to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its right to treat

in paragraph 12 below, or have Buyer reimburse Seller in order to cover for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 100% of the

total purchase price plus optional upgrades ordered and installed in the vehicle. Proceeds of closing are to be paid to Seller only by cash or bank cashier's check. Uncertified money orders and other checks are not acceptable.

3. **WARRANTY.** Seller agrees to deliver a Bargain and Sale deed with covenants against Grantor's Acts, Affidavit of Title, and Certificate of Title, and a Closing of title. Title shall be good and marketable, and Seller shall be insured at grantor's expense for a period of 30 days after closing.

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prepaid. I shall constitute good and marketable title for the property and am obligated to obtain title insurance from Eastern Title Insurance Company, Inc., of Baltimore, Maryland, New York City, New Jersey or any other Eastern Title Insurance Company, to insure the property.

KH0V034776

10-10-68



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ma. Houston* BLDG./UNIT NO: *3231* MODEL NO: *1050*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *117*, 199*9*^{*4*}
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Ma. Houston *1-7-94*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034777



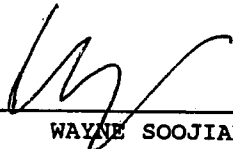
ADDENDUM TO PURCHASE AGREEMENT

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BUYER: GAYLE

BUILDING: 22 UNIT: J2

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. AGREES TO PAY TWO POINTS ON THE ABOVE REFERENCED LOAN.



WAYNE SOOJIAN



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034794

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): MYRTEL GAYLE (W) of 726 LYONS AVENUE/APT 2
Tel: Res: (201) 375-3574 IRVINGTON
Bus: (201) 676-1000 NJ ,07111.

ARTHUR L GAYLE (H) of 726 LYONS AVENUE/APT 2
Tel: Res: (201) 375-3574 IRVINGTON
Bus: () - NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.20
BLDG NO.: 22 , UNIT NO: J2 , MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 11-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 11-DEC-1993
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 10-JAN-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK

Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 09-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

12-22-93
DATE

* Myrte Gayle 12-18-93
(BUYER) DATE

* Arthur L Gayle 12-18-93
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034799



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Comm. Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 18th day of December, 1993.

Buyer: *Myrdel Gayle*

Lisa M. Weems

Buyer: *Arthur L. Gayle*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Myrdel Gayle 12-18-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Arthur L. Gayle 12-18-93
BUYER DATE

BY: *Wayne Soojian* 12-23-93
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN GENEVARI-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701

The BUYER(S): MYRTLE GAYLE (W) of 726 LYONS AVENUE/APT 2
IRVINGTON, NJ 07111.
Tel: Res: (201) 375-3574
Bus: (201) 676-1000

ARTHUR A. GAYLE (H) of 726 LYONS AVENUE/APT 2
IRVINGTON, NJ 07111.
Tel: Res: (201) 375-3574
Bus: ()

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 22.20
BLDG NO: 22, UNIT NO: J2, MODEL: STH1050-UM UPPER M.L. M

The PURCHASE PRICE: \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS:
INITIAL DEPOSIT \$ 0.00 ON DATE 11-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 11-DEC-1993
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 10-JAN-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
NO CLOSING COSTS
Total PAYMENT \$ 63,700.00
WARRANTIES

MORTGAGE AMOUNT: ENTIRE \$61,789.00 PRESE MORTGAGE CONTINGENCY DATE: 09-FEB-1994
SITE VISITS Estimated COMPLETION DATE: 15-FEB-1994
PREOCCUPANCY INSPECTION DY-MON-YEAR

TERMS AND CONDITIONS - PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark TRACT PLAT WITH RE-STATE FIN. (BUYER) DATE
Urban Renewal Corporation III, Inc. NEW YORK CITY DATE
ON ATTORNEY REVIEW FOR DETAILS YOU HAVE ADVICE (BUYER) DATE
AND IN THE PUBLIC OFFICE OF RECORD.

(SELLER) DATE (BUYER) DATE
Bank of New Jersey, N.A. All deposits shall be held in trust in the name of the Buyer at University Heights III Factory Avenue, Newark, New Jersey.

(BUYER) DATE
Urban Renewal Corporation III, Inc. All deposits shall be held in trust in the name of the Buyer at University Heights III Factory Avenue, Newark, New Jersey.

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

THE CHARGES: If this is a cash sale, Buyer shall pay the expenses of title search, title examination, title insurance policy, and recording fees. If this is a mortgage sale, Buyer will pay the expenses of the purchase price, title search, title examination, title insurance, and any fees or costs incidental to a mortgage closing.

The BROKER: Bu Landarama, Inc. 10 Highway 35, P.O. Box 500, Red Bank, NJ 07701

1. CLOSING OF TITLE: Closing of title is to take place immediately after completion of the unit at the time, date and place specified in the notice to Buyer but in no event later than the estimated completion date as stated on the SUMMARY OF SALES. Without Buyer's consent, Seller shall be evidenced by a Certificate of Occupancy, issued by the appropriate authority, which may be a temporary certificate. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer shall have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and unit improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller shall file this Agreement for the sale of a condominium unit on improved land which the Seller, if there are no anticipated improvements, is totally outside of the control of the Seller is obligated to erect within a period of two years. If Buyer is unable or cannot to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its right to sell the unit in paragraph 12 below or have Buyer purchase Seller's unit prior to closing for the total reasonable carrying and ad valorem costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE: Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and a Certificate of Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way, West Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

KHOV034811

REFERRAL DISCLOSURE

As purchasers of a home from one of the K. Hovnanian Companies, you may have been referred or recommended to K. Hovnanian Mortgage, Inc. by a representative of the Seller/Developer or Landarama, Inc. Please be advised that K. Hovnanian Mortgage, Inc. is an affiliate of both the Seller/Developer and Landarama, Inc. They are each separate and distinct corporations. However, K. Hovnanian Mortgage, Inc., the Seller/Developer and Landarama, Inc. are subsidiary companies of Hovnanian Enterprises, Inc.

YOU ARE UNDER NO OBLIGATION TO USE THE MORTGAGE SERVICES OF K. HOVNANIAN MORTGAGE, INC. WHICH IS AFFILIATED WITH BOTH THE SELLER/DEVELOPER AND THE REAL ESTATE LICENSEE, LANDARAMA, INC. YOU MAY OBTAIN YOUR MORTGAGE LOAN FROM ANOTHER SOURCE.

The following is a list of the range of charges generally made by K. Hovnanian Mortgage, Inc. in connection with a mortgage loan transaction:

Application Fee: \$0 - \$195.00
Origination/Commitment Fee: \$0 - 1% of Loan Amount
Discount Fee: \$0 - 3% of Loan Amount
Appraisal: \$175.00 - \$225.00
Final Inspection (if necessary): \$50.00 - \$75.00
Credit Report: \$48.00 - \$55.00 (per report)
Flood Certification: \$14.50
Overnight Delivery (if necessary): \$18.50
Tax Service Fee: \$0 - \$102.00

NOTE: Fees vary by loan program. Please refer to the Good Faith Estimate (given at application) for more specific information.

Please sign below to acknowledge your receipt of this Disclosure and also to acknowledge your understanding that your use of K. Hovnanian Mortgage, Inc. is not required by the Seller/Developer or Landarama, Inc.

I have received a copy of this Disclosure. I understand that I am not required to use the services of K. Hovnanian Mortgage, Inc. as a mortgage lender in the purchase of my home.

x Mirella Gayke
Borrower

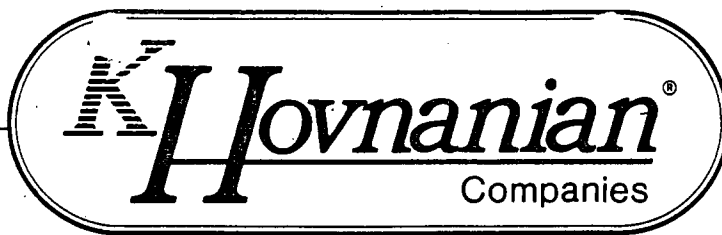
12-11-93
Date

Borrower

Date

(8/92)

KHOV034812



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Mrs. Gayle BLDG./UNIT NO: 2352 MODEL NO: 1050

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12/11, 1993
I/We personally received from the Sales Office at Society Hill at
University Heights III, the Public Offering Statement* ("POS PACKAGE") and
the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

x Myrdal Gayle 12-11-93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034813

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): KRISTAL L DARGON (u) of 264 CHADWICK AVENUE/2ND FLOOR
Tel: Res: (201) 242-8831 NEWARK
Bus: (201) 371-0113 NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.23
BLDG NO.: 22 , UNIT NO: L1 , MODEL: STH1050-GL >LOWER M.L. L

The PURCHASE PRICE : \$ 33,700.00
Consisting of:
BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 04-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-DEC-1993
ADDITIONAL DEPOSIT \$ 11.00 BY DATE 03-JAN-1994
BALANCE at CLOSING \$ 32,689.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 33,700.00

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 02-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

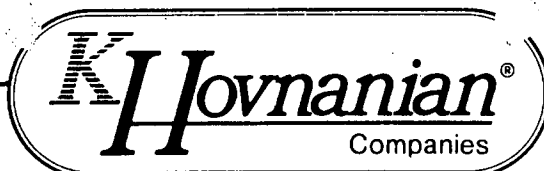
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034837



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and if the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to: change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 10, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 4th day of December, 1993.

Buyer: 

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.


BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY: 

WAYNE SOORIAN,
DIRECTOR OF MARKETING AND SALES

DATE 12-10-93

KHOV034841

S U M M A R Y O F B A S I C P R O V I S I O N S

1010

The SELLER: K.HOVNANTIAN ONEPARTY URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): KRISTAL L. DARGON (u) of 264 CHADWICK AVENUE/2ND FLOOR
Tel: Res: (201) 242-8831 NEWARK
Bus: (201) 371-0113 NJ , 07108.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 22.23
BLDG NO.: 22 , UNIT NO: 11 , MODEL: 5TH1050-GE FLOWER M.B. 1

The PURCHASE PRICE : \$ 33,700.00 45A Wickliffe St.
Consisting of:
BASE PRICE OF MODEL \$ 33,700.00

| | | | | | |
|---------------------|---------------------|----|-----------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 04 DEC 1993 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 04 DEC 1993 |
| | ADDITIONAL DEPOSIT | \$ | 11.00 | BY DATE | 03 JAN 1994 |
| | BALANCE at CLOSING | \$ | 32,689.00 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | \$ | 33,700.00 | | |

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 02 FEB 1994
Estimated COMPLETION DATE: 15 FEB 1994
DV-MON YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) DATE 12-4-93

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034852



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Dargatz

BLDG./UNIT NO: 224

MODEL NO: 1050

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 12/4, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

[Signature] 12-4-93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034853

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DAISY B CLARK (u)
Tel: Res: (201) 624-6507 of 440 WASHINGTON STREET/APT 6H
Bus: (201) 450-2292 NEWARK
NJ ,07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 22.24
BLDG NO.: 22 , UNIT NO: L2 , MODEL: STM1050-UM >UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1993
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 06-DEC-1993
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034874



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 12, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 6th day of November, 1993.

Buyer: *Daisy B Clark*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Daisy B Clark 11/6/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *[Signature]* 11.11.93
DATE
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

SUMMARY OF BASIC PROVISIONS

af 1010

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DAISY B CLARK (u) of 440 WASHINGTON STREET/APT 6H
Tel: Res: (201) 624-6507 NEWARK
Bus: (201) 450-2292 NJ , 07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.74
BLDG NO.: 22 , UNIT NO: B2 , MODEL: STH1050-UM UPPER M.F. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE OF MODEL \$ 63,700.00

| | | | | |
|---------------------|---------------------|--------------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE | 06-NOV-1993 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE | 06-NOV-1993 |
| | ADDITIONAL DEPOSIT | \$ 911.00 | BY DATE | 06-DEC-1993 |
| | BALANCE at CLOSING | \$ 61,789.00 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | \$ 63,700.00 | | |

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Daisy B Clark 11/6/93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034890

REFERRAL DISCLOSURE

As purchasers of a home from one of the K. Hovnanian Companies, you may have been referred or recommended to K. Hovnanian Mortgage, Inc. by a representative of the Seller/Developer or Landarama, Inc. Please be advised that K. Hovnanian Mortgage, Inc. is an affiliate of both the Seller/Developer and Landarama, Inc. They are each separate and distinct corporations. However, K. Hovnanian Mortgage, Inc., the Seller/Developer and Landarama, Inc. are subsidiary companies of Hovnanian Enterprises, Inc.

YOU ARE UNDER NO OBLIGATION TO USE THE MORTGAGE SERVICES OF K. HOVNANIAN MORTGAGE, INC. WHICH IS AFFILIATED WITH BOTH THE SELLER/DEVELOPER AND THE REAL ESTATE LICENSEE, LANDARAMA, INC. YOU MAY OBTAIN YOUR MORTGAGE LOAN FROM ANOTHER SOURCE.

The following is a list of the range of charges generally made by K. Hovnanian Mortgage, Inc. in connection with a mortgage loan transaction:

Application Fee: \$0 - \$195.00
Origination/Commitment Fee: \$0 - 1% of Loan Amount
Discount Fee: \$0 - 3% of Loan Amount
Appraisal: \$175.00 - \$225.00
Final Inspection (if necessary): \$50.00 - \$75.00
Credit Report: \$48.00 - \$55.00 (per report)
Flood Certification: \$14.50
Overnight Delivery (if necessary): \$18.50
Tax Service Fee: \$0 - \$102.00

NOTE: Fees vary by loan program. Please refer to the Good Faith Estimate (given at application) for more specific information.

Please sign below to acknowledge your receipt of this Disclosure and also to acknowledge your understanding that your use of K. Hovnanian Mortgage, Inc. is not required by the Seller/Developer or Landarama, Inc.

I have received a copy of this Disclosure. I understand that I am not required to use the services of K. Hovnanian Mortgage, Inc. as a mortgage lender in the purchase of my home.

Daisy B Clark
Borrower

11/6/93
Date

Borrower

Date



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ms. D. Clark* BLDG./UNIT NO: *2422* MODEL NO: *1050*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *11/6*, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Daisy B Clark *11/6/93*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034892

AMENDMENT TO PURCHASE AGREEMENT
BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC. SELLER AND

CARRISSA WILLIAMS

BUILDING: 22 UNIT: M1 PURCHASE AGREEMENT DATE: 9/30/95

SELLER WILL PAY 2 POINT(S) TOWARDS CLOSING ON THE ABOVE NAMED HOME,
TO TAKE PLACE BY OCTOBER 31, 1995

Carrissa Williams 10/30/95
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VAN VELTHOVEN
DIRECTOR OF MARKETING AND SALES
HUDSON RIVER

KHOV034914

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): CARRISSA M WILLIAMS (u) of 16 CUTLER STREET
Tel: Res: (201) 481-4050 NEWARK
Bus: (212) 581-0300 NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: COMMUNITY: SOCIETY HILL @ UNIV. HEIGHTS III ESC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.25
BLDG NO.: 22 , HOME NO: M1 , MODEL: STH150-G >LOWER

The PURCHASE PRICE : \$ 91,950.00
Consisting of:
BASE PRICE of MODEL \$ 91,950.00

| | | | | | |
|---------------------|---------------------|----|-----------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 30-SEP-1995 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 30-SEP-1995 |
| | ADDITIONAL DEPOSIT | \$ | 1,758.50 | BY DATE | 30-OCT-1995 |
| | BALANCE at CLOSING | \$ | 89,191.50 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | \$ | 91,950.00 | | |

MORTGAGE AMOUNT : \$ 89,150.00 MORTGAGE CONTINGENCY DATE: 29-NOV-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Carrissa M. Williams 9/30/95
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

[Signature] 10-2-95
(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034920



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Carissa M. Williams*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE 9/30/12

BUYER

DATE

BY: *[Signature]*

DATE 10-2-12

KHOV034924

REFERRAL DISCLOSURE

As purchasers of a home from one of the K. Hovnanian Companies, you may have been referred or recommended to K. Hovnanian Mortgage, Inc. by a representative of the Seller/Developer or Landarama, Inc. Please be advised that K. Hovnanian Mortgage, Inc. is an affiliate of both the Seller/Developer and Landarama, Inc. They are each separate and distinct corporations. However, K. Hovnanian Mortgage, Inc., the Seller/Developer and Landarama, Inc. are subsidiary companies of Hovnanian Enterprises, Inc.

YOU ARE UNDER NO OBLIGATION TO USE THE MORTGAGE SERVICES OF K. HOVNANIAN MORTGAGE, INC. WHICH IS AFFILIATED WITH BOTH THE SELLER/DEVELOPER AND THE REAL ESTATE LICENSEE, LANDARAMA, INC. YOU MAY OBTAIN YOUR MORTGAGE LOAN FROM ANOTHER SOURCE.

The following is a list of the range of charges generally made by K. Hovnanian Mortgage, Inc. in connection with a mortgage loan transaction:

Application Fee: \$0 - \$195.00
Origination/Commitment Fee: \$0 - 1% of Loan Amount
Discount Fee: \$0 - 3% of Loan Amount
Appraisal: \$175.00 - \$225.00
Final Inspection (if necessary): \$50.00 - \$75.00
Credit Report: \$48.00 - \$55.00 (per report)
Flood Certification: \$14.50
Overnight Delivery (if necessary): \$18.50
Tax Service Fee: \$0 - \$102.00

NOTE: Fees vary by loan program. Please refer to the Good Faith Estimate (given at application) for more specific information.

Please sign below to acknowledge your receipt of this Disclosure and also to acknowledge your understanding that your use of K. Hovnanian Mortgage, Inc. is not required by the Seller/Developer or Landarama, Inc.

I have received a copy of this Disclosure. I understand that I am not required to use the services of K. Hovnanian Mortgage, Inc. as a mortgage lender in the purchase of my home.

*Carissa M. Williams 9/30/95
Borrower Date

Borrower Date

(8/92)

KHOV034925



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Ms. Williams*

BLDG/UNIT: *2241*

MODEL: *1150*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to acknowledge that on *9/30*, 1995 *11* We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Carissa M. Williams *9/30/95*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034926

OK

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: M2

The Purchase Agreement between Alfreda E. Coachman BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,168.95
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,186.46
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 98,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 103,613.95

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

X 3/1/94
DATE

X Alfreda E. Coachman
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034937

ADDENDUM TO DECORATOR SELECTION
AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

ALFREDA E. COACHMAN

_____, Buyer.

UNIT M2, BLDG. 22

PURCHASE AGREEMENT, DATED: 2/24/97

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to 752.65

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE _____

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

"BUYER"

Alfreda E. Coachman

KHOV034938

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: M2

The Purchase Agreement between Alfreda E. Coachman BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,168.95
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,186.46
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 98,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 103,613.95
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: _____

WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

*Sent thru
mail for her
signature
2-25-94*

KHOV034939

AR

APPENDUM TO DECORATOR SELECTION
AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

ALFREDA E. COACHMAN

_____, Buyer.

UNIT M2, BLDG. 22

PURCHASE AGREEMENT, DATED: 2/24/97

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to 752.65

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hills at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

DATE _____

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

"BUYER"

Alfreda E. Coachman

KHOV034940

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: F1

The Purchase Agreement between ALFREDA E. COACHMAN BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 9/20/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,416.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 96,433.81
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 91,600.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,861.30
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-20-93
DATE

Alfreda E. Coachman
BUYER

BUYER

BUYER

SELLER CORPORATION:
BY: [Signature]
WAYNE BOCCIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

*Switched
to
Unit
22m2*

KHOV034941

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: M2

The Purchase Agreement between Alfreda E. Coachman BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,168.95
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,186.46
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 98,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 103,613.95
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

X 3/1/94
DATE

X Alfreda E. Coachman
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: _____

WAYNE SOOJIAN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV034963

BLDG NO: 22 UNIT: N2
MODEL : 5TH150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : COACHMAN
CONTRACT DATE: 24-feb-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--------------------|--------------|----------------------|------------|-------|----------|-----------|
| 01---APPLIANCES--- | | | | | | |
| ANX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | Q50000 | BLACK | BLACK | 340.00 CH |
| AFX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | 13X17P45 | WHITE | WHITE | 740.00 |
| AMS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | WHITE | WHITE | 0.00 CH |
| AKS00 | RANGE | STANDARD RANGE | JGEC158E | WHITE | WHITE | 0.00 |
| AWX01 | WASHER | WASHER LARGE CAPACIT | QWAS500 | WHITE | WHITE | 470.00 CH |
| AYX01 | DRYER | DRYER 4 CYCLE | XYR0033620 | WHITE | WHITE | 345.00 CH |

| | | | | | | |
|------------------|---------------------|---------------------|--------|---------------|--|--------|
| 02---CABINETS--- | | | | | | |
| KCU05 | KITCHEN CABINETS | NATURAL TAOOE | | | | 675.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | 1742-1 | WHITE POMPEII | | 0.00 |

| | | | | | | |
|--------------------------------|--------------------------|-------------|--------|----------|-------------------|------------|
| 03---FLOORING--- | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | |
| | CARPETING | VERSATILITY | 26 | 39.33 SY | 6211 MELLOW BEIGE | FCC0101A00 |
| Zone: 02 1ST FLOOR STAIRS/HALL | | | | | | |
| | CARPETING | VERSATILITY | 25 | 75.67 SY | 6211 MELLOW BEIGE | FCC0103A00 |
| Zone: 02 | | | | | | |
| | VINYL COMPOSITION TI VCT | | 191 SF | 51839 | FOOTRESS WHITE | PVC0103A00 |

Package includes UPGRADE Padding in carpeted areas

| | | | | | | |
|-------|----------------------------------|--|--|--|--|-----------|
| XF001 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 498.95 CH |
|-------|----------------------------------|--|--|--|--|-----------|

| | | | | | | |
|------------------------------|--------------|---------------------|------------|------|--|-----------|
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| MBS00 | BIFOLD DOORS | LIVING ROOM STORAGE | STD BIFOLD | 4'0" | | 0.00 |
| MBS02 | BIFOLD DOORS | BEDROOM #2 | STD BIFOLD | 4'0" | | 0.00 |
| MBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | STD BIFOLD | 4'0" | | 0.00 |
| MBS04 | BIFOLD DOORS | 2ND FLOOR LINEN | STD BIFOLD | 3'0" | | 0.00 |
| MBS01 | BIFOLD DOORS | MASTER BEDROOM | M1-BIFOLD | 4'0" | | 150.00 CH |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: X. J. G. Coachman
PURCHASER: _____
DATE: X 3/1/94GRAND TOTAL \$ 3218.95
Incl. Mortg. Sel \$ 1803.95SALES REP: Alison Rabon 2-24-94
SALES MGR: _____
CONST. MGR: _____AMOUNT DUE NOW \$ 96.57
AMOUNT PAID NOW \$ 0.00 "CR"

AMOUNT DUE AT CLOS \$ 3218.95

KH0V034964

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: R. HOVNANIAN GNEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): ALFREDA E. COACHMAN of 130 SOUTH 8TH STREET
Tel: Res: (201) 623-1497 NEWARK
Bus: (201) 733-7043 NJ 07107.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.26
BLDG NO.: 22 , UNIT NO: M2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

| | | | | |
|---------------------|---------------------|--------------|-------------------------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE | 24-FEB-1994 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE | 24-FEB-1994 |
| | ADDITIONAL DEPOSIT | \$ 2,058.50 | BY DATE | 26-MAR-1994 |
| | BALANCE at CLOSING | \$ 98,891.50 | PAID by CERTIFIED CHECK | |
| | Total PAYMENT | \$101,950.00 | | |

MORTGAGE AMOUNT : \$ 98,800.00 MORTGAGE CONTINGENCY DATE: 25-APR-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034965



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

- 1. DEPOSITS**—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.
- 2. CLOSING CHARGES**—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.
- 3. ADJUSTMENT**—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)
- 4. CLOSING OF TITLE**—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.
- 5. TITLE**—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this ____ day of _____, 199__.

Buyer: Alfreda E. Coachman

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Alfreda E. Coachman 2/24/94
BUYER DATE

BUYER DATE

BY: Wayne Soojian 3-1-94
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV034969

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SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ALFREDA E. COACHMAN (u) of 130 SOUTH 8TH STREET
Tel: Res: (201) 623-1497 NEWARK
Bus: (201) 733-6446 NJ ,07107.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.11
BLDG NO.: 22 , UNIT NO: F1 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 14-AUG-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-AUG-1993
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 13-SEP-1993
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 13-OCT-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

| | |
|---|------------------------------------|
| K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc. | <i>Alfreda E. Coachman</i> 8/14/93 |
| (BUYER) | DATE |
| (BUYER) | DATE |
| (BUYER) | DATE |
| (BUYER) | DATE |

(SELLER) *[Signature]* 8-16-93 DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

Switched Into 22m2
2-24-94

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KHOV034985



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

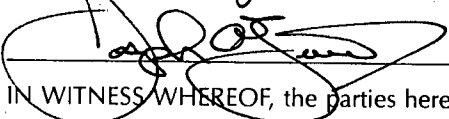
State of New Jersey) ss. **JOSEPH A. ZEMAITIS, JR.**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 4 day of August, 1993.

Buyer: Alfreda L. Coachman



Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Alfreda L. Coachman 8/14/93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Wayne Soojian 8/16/93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV034989

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ALFREDA E. COACHMAN (u) of 130 SOUTH 8TH STREET
Tel: Res: (201) 623-1497 NEWARK
Bus: (201) 733-6446 NJ ,07107.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.11
BLDG NO.: 22 , UNIT NO: F1 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

110 Callahan Ct

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 14-AUG-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-AUG-1993
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 13-SEP-1993
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 13-OCT-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Alfreda E. Coachman 8/14/93
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV034993



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: COACHMAN BLDG./UNIT NO: 22F1 MODEL NO: 1150 Rtlv

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on August 17, 1993
I/We personally received from the Sales Office at Society Hill
at University Heights III, the Public Offering Statement*
("POS PACKAGE") and the Purchase Agreement.

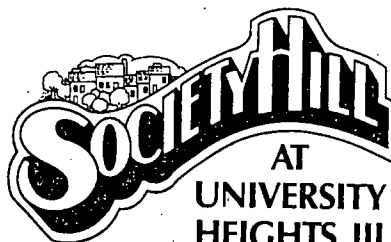
* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE
P.O. PACKAGE MUST BE RETURNED TO THE SALES OFFICE.
FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Alfreda E. Coachman 8/14/93
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV034995

CB

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: N1

The Purchase Agreement Between Jonathan H. Gentry, BUYER(S)
Donavan P. Soumas, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 8/13/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 104,644.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,644.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,500.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,644.00.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE 8/27/94

x Jonathan H. Gentry
BUYER

x Donovan P. Soumas
BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV035076

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Jonathan H. Gentry

Donavon P. Soumas, BUYER

UNIT N1, BUILDING 22, PURCHASE AGREEMENT DATE 8/13/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

x Jonathan H. Gentry 8/27/94
BUYER DATE

x Donavon P. Soumas 8/27/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV035077

SUMMARY OF BASIC PROVISIONS

1C10

The SELLER: K.HOVNANIAN (NEWARK-URB) RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JONATHAN H. GENTRY (u) of 381 BROAD STREET/1308A
Tel: Res: (201) 481-7612 NEWARK
Bus: () NJ , 07104.

DONAVON P. SOUMAS (u) of 381 BROAD STREET/1308A
Tel: Res: (201) 481-7612 NEWARK
Bus: () NJ , 07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EAC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.27
BLDG NO.: 22 , UNIT NO: N1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 13-AUG-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 13-AUG-1994
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 12-SEP-1994
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK
Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$100,800.00 MORTGAGE CONTINGENCY DATE: 12-OCT-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian of Newark -
Urban Renewal Corporation III, Inc.

(SELLER) DATE

x Jonathan H. Gentry 8/13/94
(BUYER) DATE
x Donavon P. Soumas 8/13/94
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701.

KHOV035081

SB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Jonathan H. Gentry

Donavon P. Soumas, BUYER

UNIT N1, BUILDING 22, PURCHASE AGREEMENT DATE 8/13/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY
CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER
31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

x Jonathan H. Gentry 8/27/94
BUYER DATE

x Donavon P. Soumas 8/27/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: _____
LAURA VANVELTHOVEN
SALES MANAGER

KHOV035083

4B

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 33

UNIT: N1

The Purchase Agreement Between Jonathan H. Gentry, BUYER(S)
Donavon P. Souma, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER
is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 8/13/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 104,644.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,644.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,500.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,644.00
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

8/27/94

BUYER

x Jonathan H. Gentry

BUYER

x Donavon P. Souma

BUYER

SELLER CORPORATION:

BY:

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV035084

SUMMARY OF BASIC PROVISIONS

1C10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY ; 07701.

The BUYER(S): JONATHAN H. GENTRY (u) of 381 BROAD STREET/1308A
Tel: Res: (201) 481-7612 NEWARK
Bus: () NJ ,07104.

DONAVON P. SOUMAS (u) of 381 BROAD STREET/1308A
Tel: Res: (201) 481-7612 NEWARK
Bus: () NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.27
BLDG NO.: 22 , UNIT NO: N1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE OF MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 13-AUG-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 13-AUG-1994
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 12-SEP-1994
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK
Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$100,800.00 MORTGAGE CONTINGENCY DATE: 12-OCT-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

x Jonathan H. Gentry 8/13/94
(BUYER) DATE
x Donavon P. Soumas 8/13/94
(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035086

SUMMARY OF BASIC PROVISIONS

IC10

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NEW JERSEY 07701.

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Tel: Res: (201) 481-7612 NEWARK
Bus: () NJ 07104.

DONAVON P SOUMAS (u) of 381 BROAD STREET/1308A
Tel: Res: (201) 481-7612 NEWARK
Bus: () NJ 07104.

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NEWARK, NEW JERSEY.
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BLDG NO.: 22 UNIT NO: 01 MODEL: STH1330-G LOWER

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K. Hovnanian at Newark
Urban Renewal Corporation (U) Inc.

(SELLER) 9/18/94 DATE

(BUYER) Jonathan H Gentry 8/13/94 DATE
(BUYER) Donavon P Soumas 8/13/94 DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV035090

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Jonathan H. Gentry*
Buyer: *Donavon P. Sauma*

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Jonathan H. Gentry 8/13/94
BUYER DATE
Donavon P. Sauma 8/13/94
BUYER DATE
BY: *[Signature]* 8/15/94
DATE

SUMMARY OF BASIC PROVISIONS

AC10

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JONATHAN H GENTRY (u) of 381 BROAD STREET/1308A
Tel: Res: (201) 481-7612 NEWARK
Bus: () NJ 07104.

DONAVON P SOUMAS (u) of 381 BROAD STREET/1308A
Tel: Res: (201) 481-7612 NEWARK
Bus: () NJ 07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EEC
NEWARK, NEW JERSEY.

BLOCK NO: 406 , LOT NO: 22.27
BLDG NO: 22 , UNIT NO: 01 , MODEL: STH1330-G > LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

| | | | |
|---------------------|---------------------|--------------|-------------------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE 13-AUG-1994 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE 13-AUG-1994 |
| | ADDITIONAL DEPOSIT | \$ 2,118.50 | BY DATE 12-SEP-1994 |
| | BALANCE at CLOSING | \$100,831.50 | PAID by CERTIFIED CHECK |
| | TOTAL PAYMENT | \$103,950.00 | |

MORTGAGE AMOUNT : \$100,800.00 MORTGAGE CONTINGENCY DATE: 12-OCT-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Jonathan H. Gentry 8/13/94
(BUYER) DATE
Donavon P. Soumas 8/13/94
(BUYER) DATE

| | | | |
|----------|------|---------|------|
| (SELLER) | DATE | (BUYER) | DATE |
| | | (BUYER) | DATE |

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV035097



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Hentzy / Seumas* BLDG/UNIT: *2221* MODEL: *1330*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 8/13, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

| | |
|------------------------------------|-----------------------|
| <u><i>x Jonathan H. Hentzy</i></u> | <u><i>8/13/94</i></u> |
| BUYER | DATE |
| <u><i>x Donovan P. Seumas</i></u> | <u><i>8/13/94</i></u> |
| BUYER | DATE |

| | |
|----------------|---------------|
| _____
BUYER | _____
DATE |
|----------------|---------------|

| | |
|----------------|---------------|
| _____
BUYER | _____
DATE |
|----------------|---------------|



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035098

ROYAL INSURANCE NEW JERSEY HOMEOWNERS APPLICATION
05-30-1995

ROYAL-INDEMNITY COMPANY-----NEW Policy # *Ric 1562000*

| | |
|-------------------------------------|--------------------------------------|
| +--- AGENCY -----+ APPLICANT -----+ | |
| MEEKER SHARKEY & MACBEAN | DEBRA SMITH |
| 21 COMMERCE DRIVE | 41 WICKLIFF STREET |
| CRANFORD | NEWARK, NJ 07103 |
| (908) 272-8100 | Effective Date.. |
| Agency Code... 1562000 | 12:01 AM 05-31-95 Expiration Date. |
| +--- BILLING -----+ | 12:01 AM 05-31-96 |

DIRECT Billing of 1 Installments by the INSURED

+--- MORTGAGEE -----+
Loan # :

+--- COVERAGE -----+
PREFERRED Policy Form HO-6A Firemark C/O I MULTIFAMILY

COVERAGE and LIMITS of LIABILITY

| | | |
|-------------------------------|----|---------|
| (A) Dwelling..... | \$ | 20,000 |
| (B) Other Structures..... | \$ | 0 |
| (C) Personal Property..... | \$ | 40,000 |
| (D) Loss of Use..... | \$ | 8,000 |
| SECTION I Combined Total..... | \$ | 68,000 |
| (E) Personal Liability..... | \$ | 300,000 |
| (F) Medical Payment..... | \$ | 2,000 |

Deductible for SECTION I Coverages.....\$ 250

Premium for Basic Coverage.....\$ 222.25

+--- ENDORSEMENTS -----+

SPECIAL PROVISIONS ENDORSEMENT HO-300 & 85054 & 84435

| | | | |
|--------|----------|-------|-------------------------------|
| HO-216 | \$ | -2.80 | Protective Devices |
| HO-90 | \$ | 1.00 | Workers Compensation Coverage |
| HO-32 | \$ | 29.40 | Unit-Owners Building Items |
| HO-35 | \$ | 32.20 | Loss Assessment |
| 87769 | \$ | 25.00 | Water Backup of Sewer Drains |

Endorsements Premium.....\$ 84.80

Base Premium Plus Endorsements.....\$ 307.05

Preferred Policy Credit Allowed.....\$ 55.09

Annual Premium.....(Rounded to Even Dollar).....\$ 252.00

| No Installments Selected |

KHOV035116

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: N2

The Purchase Agreement Between DEBRA W. SMITH, BUYER(S)
ROSA A. SOSA, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/95.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 116,608.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 5,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 111,608.70
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 113,100.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE 114,998.70
\$ _____.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

3/3/95
DATE

Debra Smith
BUYER

Rosa A. Sosa
BUYER

BUYER

SELLER CORPORATION:

BY: Laura VanVelthoven
LAURA VANVELTHOVEN

KHOV035127

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND
DEBRA W. SMITH

ROSA A. SOSA

_____, BUYER

UNIT N2, BUILDING 22, PURCHASE AGREEMENT DATE 2/24/95

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH FIRST TOWN MORTGAGE CORPORATION IF BUYER
SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER
BY MARCH 31, 1995; SELLER WILL CONTRACT WITH AND PAY AT CLOSING.

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Debra Smith 3/3/95
BUYER DATE

Rosa A. Sosa 3/3/95
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
DIRECTOR OF MARKETING AND SALES
HUDSON RIVER

KHOV035128

S U M M A R Y O F B A S I C P R O V I S I O N S

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
Tel: Res: (201) 434-5290 JERSEY CITY
Bus: (212) 746-5221 NJ ,07304.

ROSA A SOSA (M) of 5704 HUDSON AVENUE/APT 3
Tel: Res: (201) 869-1791 WEST NEW YORK
Bus: (212) 631-7373 NJ ,07093.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.28
BLDG NO.: 22 , UNIT NO: N2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
BALANCE at CLOSING \$108,950.00 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Debra Smith 2/24/95
(BUYER) DATE
Rosa Sosa 2/24/95
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

[Signature] 2-25-95
(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035137



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid; without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Debra Smith*

Buyer: *Barbara Jones*

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Debra Smith
BUYER

2/24/95
DATE

Barbara Jones
BUYER

2/24/95
DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *[Signature]*

2-28-95
DATE

KHOV035141

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
Tel: Res: (201) 434-5290 JERSEY CITY
Bus: (212) 746-5221 NJ ,07304.

ROSA A SOSA (M) of 5704 HUDSON AVENUE/APT 3
Tel: Res: (201) 869-1791 WEST NEW YORK
Bus: (212) 631-7373 NJ ,07093.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.28
BLDG NO.: 22 , UNIT NO: N2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
BALANCE at CLOSING \$108,950.00 PAID by CERTIFIED CHEC

Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Debra Smith 2/24/95
(BUYER) DATE

X
(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035145

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
Tel: Res: (201) 434-5290 JERSEY CITY
Bus: (212) 746-5231 NJ , 07304.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III ESC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.28
BLDG NO.: 22 , UNIT NO: N2 , MODEL: STM1330-0 UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 06-DEC-1994
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
UY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

11-10-94
DATE

* Debra Smith. 11/6/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035158

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no anticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. INSULATION—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: John Smith

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature]

DATE

The SELLER: K. HOVNANIAN (NEWARK) URBAN RENEWAL CORP. (located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
Tel: Res: (201) 434-5290 JERSEY CITY
Bus: (212) 746-5221 NJ , 07304.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.28
BLDG NO.: 22 , UNIT NO: N2 , MODEL: STH1330-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 06-DEC-1994
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

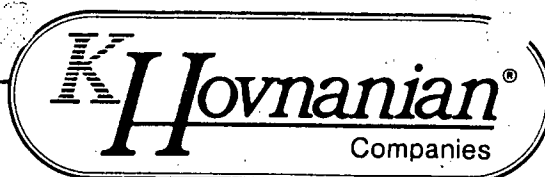
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035163



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: Debra Smith

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Debra Smith
BUYER

11/6/94
DATE

BUYER

DATE

BY: [Signature]

11-10-94
DATE

S-U-M-M-A-R-Y O F R A S T O P R O V I S I O N S

1010

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP. Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): DEBRA W SMITH (M)
Tel: Res: (201) 434 5290 61 377 PACIFIC AVENUE
Bus: (212) 746 5221 JERSEY CITY
NJ 07304

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 22.28
BLDG NO: 22 UNIT NO: N2 MODEL: STH1330-U DUPLER

The PURCHASE PRICE: \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 06-DEC-1994
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Debra Smith 11/6/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV035168



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: Ms. Debra Smith BLDG/UNIT: 3202 MODEL: 1330

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on Nov. 6, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

| | |
|----------------------|----------------|
| <u>x Debra Smith</u> | <u>11/6/94</u> |
| BUYER | DATE |
| _____
BUYER | _____
DATE |
| _____
BUYER | _____
DATE |
| _____
BUYER | _____
DATE |



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035172



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MARSHALL
Lot: 22.01 Block: 406
Address: 90 CALLAHAN COURT
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$106,972.97

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

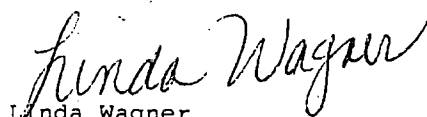
Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


GAETANA MARSHALL

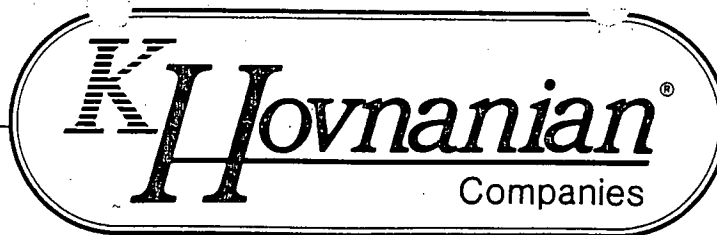
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035179



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MARSHALL
Lot: 22.01 Block: 406
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The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


GAETANA MARSHALL

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035180

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND GAETANA MARSHALL, UNMARRIED

the GRANTEE

about to reside at 90 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$106,972.97
ONE HUNDRED SIX THOUSAND NINE HUNDRED SEVENTY TWO AND .97/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. A1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. TRBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.01, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

BY:

KHOV035208

Robert M. Schwartz, Asst. Sec.

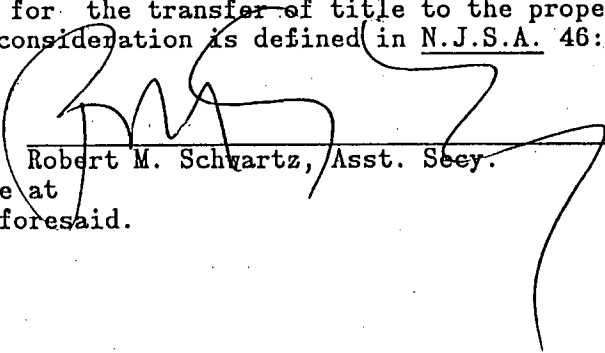
WAYNE J. SOOJIAN,
Sales & Marketing Director

Prepared by:

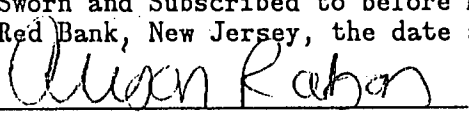
ROBERT M. SCHWARTZ, ESQ.

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 106,972.97.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE GAETANA MARSHALL

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber GAETANA MARSHALL, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
GAETANA MARSHALL

CHARGE, RECORD AND RETURN TO BETTE R. GRAYSON, ESQUIRE
155 MORRIS AVENUE
P.O. BOX 75
SPRINGFIELD, NJ 07081

KHOV035209

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Hecker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
COMPANY LETTER **B**
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

INSURED Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|--|---------------|----------------------------------|-----------------------------------|---|
| A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 50000
FIRE DAMAGE (Any one fire) \$ 5000
MED. EXPENSE (Any one person) \$ |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A | OTHER Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LOC: GAETANA MARSHALL, UNMARRIED
90 CALLAHAN COURT, NEWARK, NJ 07103 (22A1) LOT: 21.01 BLOCK: 406

KH0V035218**CERTIFICATE HOLDER**

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Hecker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED Sac. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
COMPANY LETTER **B**
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR. | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|---------|--|---------------|----------------------------------|-----------------------------------|---|
| A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 50000
FIRE DAMAGE (Any one fire) \$ 5000
MED. EXPENSE (Any one person) \$ |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A OTHER | Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LOC: GAETANA MARSHALL, UNMARRIED
90 CALLAHAN COURT, NEWARK, NJ 07103 (22A1) LOT: 21.01 BLOCK: 406

KHOV035227**CERTIFICATE HOLDER**

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED Soc Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
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COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****COVERAGES**

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COMMERCIAL GENERAL LIABILITY
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EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
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AUTHORIZED REPRESENTATIVE

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ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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| COMPANY LETTER | C | |
| COMPANY LETTER | D | |
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INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
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| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
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| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: GAETANA MARSHALL, UNMARRIED

LOC: 90 CALLAHAN COURT, NEWARK, NJ 07103 (22A1) LOT: 21.01 BLOCK: 406

KHOV035229

CERTIFICATE HOLDER

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THEIR SUCCESSORS AND/OR ASSIGNS,
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AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

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St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
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Bldg. & Cnts
Fidelity | BC02900238
BC02900238 | 1/01/94
1/01/94 | 1/01/95
1/01/95 | \$11,475,000.
\$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: GAETANA MARSHALL, UNMARRIED

LOC: 90 CALLAHAN COURT, NEWARK, NJ 07103 (22A1) LOT: 21.01 BLOCK: 406

KHOV035230**CERTIFICATE HOLDER**K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
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LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000



OK

SUMMARY OF BASIC PROVISIONS

The SELLER:

K. Hovnanian at
Newark Urban Renewal
Corporation III, Inc.

Located at:

10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

Telephone: (201) 747-7800

The BUYER(S):

Gaetana Marshall of

265 Prospect Pl.
Brooklyn
NY 11238

(718)-622-5603 (212) 941-5105 ZIP
Telephone: _____ Res. _____ Work _____

of

ZIP

Telephone: _____ Res. _____ Work _____

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title.

The PROPERTY: PROJECT : Society Hill at University Heights III, (13th Ave. & Richmond St.) Newark, NJ

BLDG. NO.: 22

THE PURCHASE PRICE:

\$103,950

Consisting of:
BASE PRICE of
and Premiums:

The PAYMENT TERMS:

INITIAL DEPOS
ON SIGNING
ADDITIONAL
and the BALAN

REFER
TO
NEW CONTRACT

1 12 19 93
1 12 19 94

CERTIFIED CHECK

TOTAL PAYMENT

\$103,950.00

MORTGAGE AMOUNT:

\$105,200.00

MORTGAGE CONTINGENCY DATE 1-22 19 94
ESTIMATED COMPLETION DATE 02-15 19 94
MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X Gaetana Marshall 12/12/93
(BUYER) DATE

K. Hovnanian at Newark Urban
Renewal Corporation III, Inc.

(BUYER) DATE

(BUYER) KHOV035245 DATE

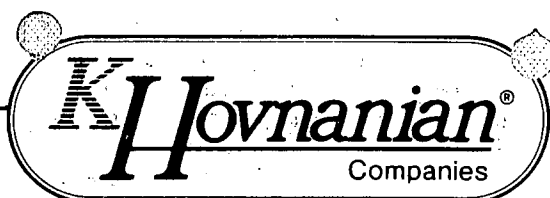
SELLER

DATE

(BUYER)

DATE

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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| 7. BUYER'S REPRESENTATION | 2 |
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HEIGHTS CONDOMINIUM ASSOCIATION III, INC. | 2 |
| 11. LICENSE | 2 |
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| 26. OWNER/INVESTOR REPRESENTATION | 4 |
| 27. ATTORNEY REVIEW | 4 |

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 12 day of Dec, 1993.

Buyer: X Daetana Marshall

Joseph J. Hanley
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Daetana Marshall 12/12/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY: Wayne Soojian 12-15-93

WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

KHOV035249



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: TOLER
Lot: 22.02 Block: 406
Address: 88 Callahan Court
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$120,090.72

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

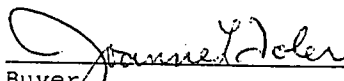
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


Buyer JOANNE L. TOLER

Buyer

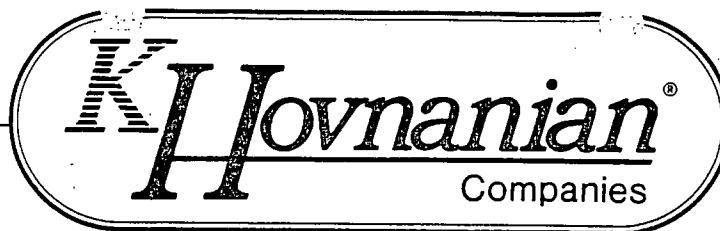
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035255



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

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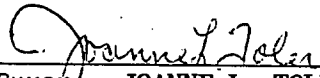
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


Buyer JOANNE L. TOLER

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035256

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JOANNE L. TOLER, UNMARRIED

the GRANTEE

about to reside at 88 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$120,090.72
ONE HUNDRED TWENTY THOUSAND NINETY AND 72/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. A2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.02, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

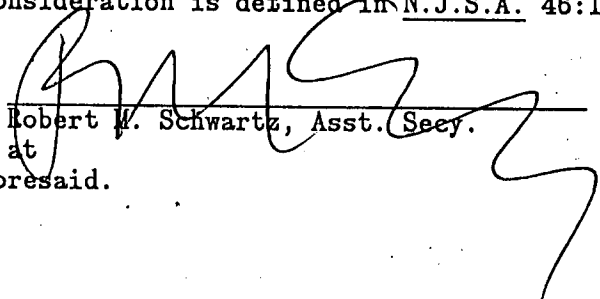
BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

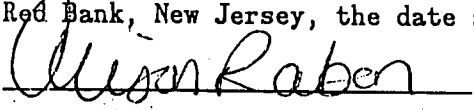
KHOV035272

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 120,090.72.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE JOANNE L. TOLER

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber JOANNE L. TOLER, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
JOANNE L. TOLER

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING JR. BLVD.
NEWARK, NJ 07102

KHOV035273

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|--|---------------|-------------------------------------|--------------------------------------|--------------------------------------|
| A-X | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 50000 |
| | COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 300000 |
| | CLAIMS MADE OCCUR. | | | | PERSONAL & ADV. INJURY \$ 300000 |
| | OWNER'S & CONTRACTOR'S PROT | | | | EACH OCCURRENCE \$ 300000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 500 |
| | AUTOMOBILE LIABILITY | | | | MED. EXPENSE (Any one person) \$ 500 |
| | ANY AUTO | | | | COMBINED SINGLE
LIMIT \$ |
| | ALL OWNED AUTOS | | | | BODILY INJURY
(Per person) \$ |
| | SCHEDULED AUTOS | | | | BODILY INJURY
(Per accident) \$ |
| | HIRED AUTOS | | | | PROPERTY DAMAGE \$ |
| | NON-OWNED AUTOS | | | | EACH OCCURRENCE \$ |
| | GARAGE LIABILITY | | | | AGGREGATE \$ |
| | | | | | |
| | EXCESS LIABILITY | | | | STATUTORY LIMITS |
| | UMBRELLA FORM | | | | EACH ACCIDENT \$ |
| | OTHER THAN UMBRELLA FORM | | | | DISEASE-POLICY LIMIT \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | DISEASE-EACH EMPLOYEE \$ |
| | | | | | |
| | | | | | |
| A | Blanket Building | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Contents | | | | |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

CERTIFIED TO BE
A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JOANNE L. TOLER, UNMARRIED

LOC: 88 CALLAHAN COURT, NEWARK, NJ 07103 (22A2) LOT: 22.02 BLOCK: 406

KH0V035282

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO LIABILITY OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**

| | |
|-------------------------|------------------------|
| COMPANY LETTER A | St. Paul Fire & Marine |
| COMPANY LETTER B | |
| COMPANY LETTER C | |
| COMPANY LETTER D | |
| COMPANY LETTER E | |

INSUREDSoc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
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| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|--|
| | GENERAL LIABILITY | | | | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | |
| | <input type="checkbox"/> GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | | | | |
| | <input checked="" type="checkbox"/> Blanket Building Contents | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | <input checked="" type="checkbox"/> Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: JOANNE L. TOLER, UNMARRIED
LOC: 88 CALLAHAN COURT, NEWARK, NJ 07103 (22A2) LOT: 22.02 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

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COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
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Soc. Hill @ University Hts. III
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DATE (MM/DD/YY) | POLICY EXPIRATION
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|-----------|---|--------------------------|-------------------------------------|--------------------------------------|---|
| | GENERAL LIABILITY
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY
<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.
<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
<input type="checkbox"/> ANY AUTO
<input type="checkbox"/> ALL OWNED AUTOS
<input type="checkbox"/> SCHEDULED AUTOS
<input type="checkbox"/> HIRED AUTOS
<input type="checkbox"/> NON-OWNED AUTOS
<input type="checkbox"/> GARAGE LIABILITY | | | | COMBINED SINGLE
LIMIT \$
BODILY INJURY
(Per person) \$
BODILY INJURY
(Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
<input type="checkbox"/> UMBRELLA FORM
<input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| | OTHER
A Blanket Building Contents
A Fidelity | BC02900238
BC02900238 | 1/01/94
1/01/94 | 1/01/95
1/01/95 | \$11,475,000.
100,000 |

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THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
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LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: A2

The Purchase Agreement between Joanne J. Toler BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 10/31/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 121,250.72
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,637.52
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,613.20
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 115,188.18
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 120,090.92.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

10/5/93

BUYER

Joanne J. Toler

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035304

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Jeanne L. Toler

_____, BUYER

UNIT A2, BUILDING 22, PURCHASE AGREEMENT DATE 12/31/93

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNIANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSSES ON THE SAID MORTGAGE AND CLOSSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS (\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Jeanne L. Toler
BUYER

12/5/93
DATE

BUYER

DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: [Signature]

WAYNE SOOJIAN
DIRECTOR OF SALES AND MARKETING

KHOV035305

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN ONEMARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JOANNE L. TOLER (u) of 1691 EAST 174TH STREET/APT 8D
Tel: Res: (718) 589-1796 BRONX
Bus: (212) 460-3902 NY , 10472.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
REMARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.02
BLDG NO: 22 , UNIT NO: A2 , MODEL: STH1330-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 31-OCT-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 31-OCT-1993
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 30-NOV-1993
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 30-DEC-1993
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian of Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035315

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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| 5. TITLE | 1 |
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| 8. CHANGES IN PLANS | 2 |
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| 27. ATTORNEY REVIEW | 4 |

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. INSULATION—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Comm. Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 31st day of October, 1993.

Buyer: *James Joles*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

James Joles 10/31/93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Wayne Soohan
BY WAYNE SOOHAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV035319

K. Hovnanian[®] Companies

MARCH 14, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: MURPHY
Lot: 22.03 Block: 406
Address: 94 CALLAHAN COURT
NEWARK, NJ 07103

Closing date: 3/11/94

Deed Amount: \$99,479.07

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

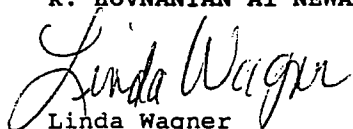
Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


PATRICIA MURPHY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035328



MARCH 14, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

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RENEWAL CORPORATION III, INC.
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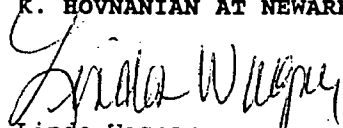
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Please change your account records immediately to reflect the above.

Very truly yours,


PATRICIA MURPHY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035329

THIS INDENTURE
(Site C and E)

Dated MARCH 11, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND PATRICIA MURPHY, UNMARRIED

the GRANTEE

about to reside at 94 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$99,479.07

NINETY NINE THOUSAND FOUR HUNDRED SEVENTY NINE AND .07/100 --Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. B1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.03, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:

Robert M. Schwartz, Asst. Sec.

WAYNE J. SOOJIAN,
Sales & Marketing Director

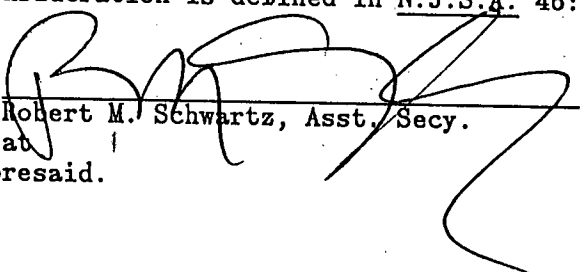
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

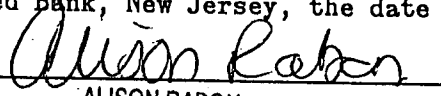
KHOV035354

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MARCH 11, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 99,479.07.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 11 day of MARCH, 1994

GRANTEE PATRICIA MURPHY

GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 11 day of MARCH, 1994, before me, the subscriber PATRICIA MURPHY, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
PATRICIA MURPHY

CHARGE, RECORD AND RETURN TO FAYTH A. RUFFIN, ESQUIRE
212 S. BURNET ST.
EAST ORANGE, N.J. 07018

KHOV035355

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER:Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Sac. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-------------------------------------|--|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| <input checked="" type="checkbox"/> | GENERAL LIABILITY | | | | GENERAL AGGREGATE \$ 5000000 |
| <input checked="" type="checkbox"/> | COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | HIRED AUTOS | | | | |
| | NON-OWNED AUTOS | | | | |
| | GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | UMBRELLA FORM | | | | AGGREGATE \$ |
| | OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| <input checked="" type="checkbox"/> | OTHER | | | | |
| <input checked="" type="checkbox"/> | Blanket Building Contents | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| <input checked="" type="checkbox"/> | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: PATRICIA MURPHY, UNMARRIED
LOC: 94 CALLAHAN COURT, NEWARK, NJ 07103 (22B1) LOT: 23.03 BLOCK: 406**CERTIFICATE HOLDER**FIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker, Sharkey & MacBean
21 Commerce Drive
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908-272-8100

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St. Paul Fire & Marine

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LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
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EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-------------------------------------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| | GENERAL LIABILITY | | | | |
| <input checked="" type="checkbox"/> | COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| <input type="checkbox"/> | CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| <input type="checkbox"/> | OWNER'S & CONTRACTOR'S PROT. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | |
| <input type="checkbox"/> | ANY AUTO | | | | COMBINED SINGLE LIMIT \$ |
| <input type="checkbox"/> | ALL OWNED AUTOS | | | | BODILY INJURY (Per person) \$ |
| <input type="checkbox"/> | SCHEDULED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| <input type="checkbox"/> | HIRED AUTOS | | | | PROPERTY DAMAGE \$ |
| <input type="checkbox"/> | NON-OWNED AUTOS | | | | |
| <input type="checkbox"/> | GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | |
| <input type="checkbox"/> | UMBRELLA FORM | | | | EACH OCCURRENCE \$ |
| <input type="checkbox"/> | OTHER THAN UMBRELLA FORM | | | | AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | |
| | | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | | | | |
| <input checked="" type="checkbox"/> | Blanket Building Contents | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| <input checked="" type="checkbox"/> | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: PATRICIA MURPHY, UNMARRIED

LOC: 94 CALLAHAN COURT, NEWARK, NJ 07103 (22B1) LOT: 23.03 BLOCK: 406

CERTIFICATE HOLDERFIRST FINANCIAL MORTGAGE CORPORATION,
AND/OR ITS ASSIGNS
80-MAIN STREET
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LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENTBuilding No.: 22Unit No.: E1The Purchase Agreement between Patricia Murphy BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLERis amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-4-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,914.07
2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3,027.42
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 97,886.65
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 97,900.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 99,479.07
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

1-11-94

BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KH0V035375

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: B1

The Purchase Agreement between Patricia Murphy BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 12-4-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,914.07
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,118.92
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 99,795.15
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 97,950.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 99,479.07
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-22-93
DATE

Patricia Murphy
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035376

DATE:

1/4/94

INCREASED PURCHASE PRICE SUMMARY

PROJECT: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BUILDING: 22 UNIT: B1

PURCHASER: MURPHY

| <u>ITEM</u> | <u>AMOUNT</u> |
|------------------------------|-----------------------------|
| CONTRACT PURCHASE PRICE: | <u>96,950.00</u> |
| DECORATOR SELECTION #: | <u>3,964.07</u> |
| WORK AUTHORIZATION #: | <u> </u> |
| WORK AUTHORIZATION #: | <u> </u> |
| CREDIT WORK AUTHORIZATION #: | <u> </u> |

(LESS) NON REALTY ITEMS:

| | |
|-------------------------|-----------------|
| <u>Refrigerator</u> | <u>620.00</u> |
| <u>Icemaker</u> | <u>—</u> |
| <u>Washer</u> | <u>470.00</u> |
| <u>Dryer</u> | <u>345.00</u> |
| TOTAL NON REALTY ITEMS: | <u>1,435.00</u> |

CONTRACT + DECORATOR SELECTIONS:

100,914.07

LESS NON-REALTY ITEMS:

1,435.00

TOTAL DEED AMOUNT:

99,479.07

KHOV035377

222

K. HUNNANTIAN BENCHMARK-DEB RENEWAL CORP. LTD.

D.S.No : IW-22-01

PROJECT : IW - SOCIETY HILL 0 UNIT. HUNTERS 111 ETC

Printed: 22-DEC-1993

BLDG NO: 22 UNIT: B1
MODEL : STM150-G 2LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : MURPHY
CONTRACT DATE: 05-DEC-1993

| SELECTION-NO. | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|---------------------|----------------------|------------|-------------|-------------------|------------|
| 01---APPLIANCES--- | | | | | | |
| ADK01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GSD500 | WHITE | WHITE | 340.00 |
| AEX01 | REFRIGERATOR | 18.2 CF REFRIGERATOR | TBX18D4S | WHITE | WHITE | 620.00 |
| ANS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | WHITE | WHITE | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGEC15GE | WHITE | WHITE | 0.00 |
| AWX01 | WASHER | WASHER LARGE CAPACIT | WMA5669 | WHITE | WHITE | 470.00 |
| AYX01 | DRYER | DRYER 4 CYCLE | XIRD065888 | WHITE | WHITE | 345.00 |
| 02---CABINETS--- | | | | | | |
| KCU01 | KITCHEN CABINETS | NATURAL LITE | | | | 675.00 |
| KIS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | 4628-8 | SAND NEBULA | | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | |
| | CARPETING | AMBRIA | 46 | 39.33 SY | 6869 ALMOND FROST | ECC0101A03 |
| Zone: 02 1ST FLOOR STAIRS/HALL | | | | | | |
| | CARPETING | AMBRIA | 46 | 63 SY | 6869 ALMOND FROST | ECC0102A03 |
| Zone: 03 KITCHEN | | | | | | |
| | LINOLEUM FLOORING | CAMBRA | 19 SY | 68441 | | FLC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XES01 | FLOORING PACKAGES | STD. LAYOUT | | | | 1514.07 |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| MBS00 | BIFOLD DOORS | LIVING ROOM STORAGE | STD BIFOLD | 4'0" | | 0.00 |
| MBS01 | BIFOLD DOORS | MASTER BEDROOM | STD BIFOLD | 4'0" | | 0.00 |
| MBS02 | BIFOLD DOORS | BEDROOM #2 | STD BIFOLD | 4'0" | | 0.00 |
| MBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | STD BIFOLD | 4'0" | | 0.00 |
| MBS04 | BIFOLD DOORS | LIVING ROOM CLOSET | STD BIFOLD | 3'0" | | 0.00 |
| MBS05 | BIFOLD DOORS | 2ND FLOOR LINEN | STD BIFOLD | 3'0" | | 0.00 |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Patricia Murphy*
PURCHASER: *Patricia Murphy*
DATE: *12-22-93*

DEC 23 1993

GRAND TOTAL \$ 3954.07
Incl. Mortg. Sel \$ 2529.07

SALES REP: *Stanley*
SALES MGR: *Stanley*
CONST. MGR: *Stanley*

1-8-92
Patricia Murphy
AMOUNT DUE NOW \$ 118.92
AMOUNT PAID NOW \$ 118.92 "CR"
AMOUNT DUE AT CLOS \$ 3845.15

KHOV035378

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): PATRICIA MURPHY (u) of 541 DECAUR ST.
Tel: Res: (718) 452-4732 BROOKLYN
Bus: (212) 808-7539 NY , 11233.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.03
BLK NO: 22 , UNIT NO: B1 , MODEL: STH150-G > LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 04-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-DEC-1993
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 03-JAN-1994
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 93,600.00 MORTGAGE CONTINGENCY DATE: 02-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

12.10.93

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

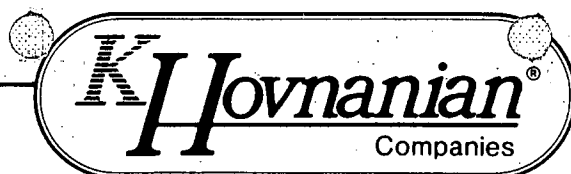
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035379



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled; terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 4 day of Dec, 1993.

Buyer:

Patricia Murphy 12/4/93

Joseph J. Hanley

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Patricia Murphy 12-4-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

12.10.93

KHOV035383

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

05/27/94

PRODUCER

Meeker Sharkey & MacLean
21 Commerce Drive
Cranford, NJ 07016
908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|--|---------------|-------------------------------------|--------------------------------------|--|
| A | GENERAL LIABILITY | 002900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 1,000,000 |
| | <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 500,000 |
| | <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 500,000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 500,000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 500,000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5,000 |
| | | | | | |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> GARAGE LIABILITY | | | | AGGREGATE \$ |
| | | | | | |
| | EXCESS LIABILITY | | | | STATUTORY LIMITS |
| | <input type="checkbox"/> UMBRELLA FORM | | | | EACH ACCIDENT \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | |
| | | | | | |
| | OTHER | 002900238 | 1/01/94 | 1/01/95 | \$11,475,000 ALL RISK |
| | 1. Fidelity | | | | \$100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ANGELA ONAFOWORA, UNMARRIED

LOC: 92 CALLAHAN COURT, NEWARK, NJ 07103 (22B2) LOT: 22.04 BLOCK: 406

CERTIFICATE HOLDER

FIRST FINANCIAL MORTGAGE CORP.,
AND/OR ITS ASSIGNS
80 MAIN STREET
WEST ORANGE, NJ 07052

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010035000

THIS INDENTURE
(Site C and E)

Dated MAY 27, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ANGELA ONAFOWORA, UNMARRIED

the GRANTEE

about to reside at 92 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$106,669.60
ONE HUNDRED SIX THOUSAND SIX HUNDRED SIXTY NINE AND .60/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. B2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

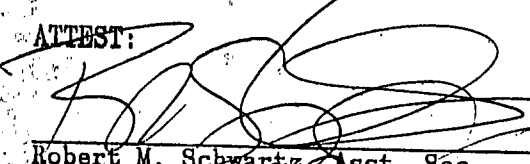
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

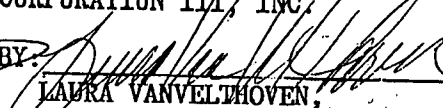
Being also known as Lot No. 22.04, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

BY: 
LAURA VANVELTHOVEN,
Sales Manager

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

KH0V035421

OK

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Angela Onafowora

_____, Buyer.

UNIT: B2 BLDG.: 22 PURCHASE AGREEMENT DATE: 4/9/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with First Financial Mortgage Corp. Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.

[Signature] 4/9/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV035435

OK

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 33

UNIT: 82

The Purchase Agreement Between Angela Onagwora, BUYER(S)

_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/9/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 103,284.60
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,248.54
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,036.06
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 105,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 106,669.60.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4/9/94
DATE


BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: 

SELLER

K. HOVNIANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV035436

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ANGELA ONAFOWORA (u) of 31 VOSE AVENUE/APT 118
Tel: Res: (201) 242-8199 SOUTH ORANGE
Bus: (201) 399-6805 NJ ,07079.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.04
BLDG NO.: 22 , UNIT NO: B2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

| | | | | | |
|---------------------|---------------------|----|--------------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 09-APR-1994 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 09-APR-1994 |
| | ADDITIONAL DEPOSIT | \$ | 2,058.50 | BY DATE | 09-MAY-1994 |
| | BALANCE at CLOSING | \$ | 98,891.50 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | | \$101,950.00 | | |

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 08-JUN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

| | |
|---------|------|
| (BUYER) | DATE |
| (BUYER) | DATE |
| (BUYER) | DATE |
| (BUYER) | DATE |

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035437

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

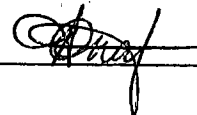
C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 19, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 9th day of April, 1994.

Buyer: 

Lisa M. Weems

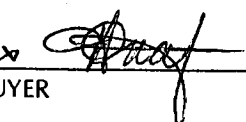
Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

 4/9/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:  4/14/94
DATE

KHOV035441

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN ONEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ANGELA ONAFOWORA (A) of 31 VOSE AVENUE/APT 118
Tel: Res: (201) 743-4966 SOUTH ORANGE
Bus: (908) 753-3545 NJ ,07079.

LAURA L ONAFOWORA (A) of 409 MEADOWVIEW DRIVE
Tel: Res: (704) 866-4072 GASTONIA
Bus: (704) 922-6243 NC ,28053.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.04
BLDG NO.: 22 , UNIT NO: B2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

| | | | | | |
|---------------------|---------------------|----|--------------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 11-JUL-1993 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 11-JUL-1993 |
| | ADDITIONAL DEPOSIT | \$ | 2,058.50 | BY DATE | 22-AUG-1993 |
| | BALANCE at CLOSING | \$ | 98,891.50 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | | \$101,950.00 | | |

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 09-SEP-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV035442



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 6th day of November, 1993.

Buyer: *[Signature]*

Lisa M. Weems

Buyer: *Lana J. Orafowora*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

[Signature] 11/6/93
BUYER DATE

Lana J. Orafowora 11/9/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *[Signature]* 11.19.93
WAYNE SOUJIAN DATE
DIRECTOR OF MARKETING AND SALES

KHOV035446

CR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: B2

The Purchase Agreement between Angela Onofowora BUYER(S)

Sam S. Onofowora BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 11/6/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 108,284.60
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,248.54
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,036.06
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 105,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 106,669.60
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/6/93
DATE

x [Signature]
BUYER

x [Signature]
BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035447

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 32

Unit No.: B2

The Purchase Agreement between Angela Onagwara BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/1/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 108,584.60
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,248.54
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,036.06 *(see)*
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 102,850.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 100,669.60
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

9/19/93

BUYER

[Signature]

BUYER

BUYER

SELLER CORPORATION

BY:

[Signature]
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035451

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN ONEMARK-URB RENEMAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ANGELA ONAFOWORA (U) of 31 VOSE AVENUE/APT 118
Tel: Res: (201) 743-4966 SOUTH ORANGE
Bus: (908) 753-3545 NJ ,07079.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.04
BLDG NO: 22 , UNIT NO: B2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

| | | | | | |
|---------------------|---------------------|----|--------------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 11-JUL-1993 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 11-JUL-1993 |
| | ADDITIONAL DEPOSIT | \$ | 2,058.50 | BY DATE | 10-AUG-1993 |
| | BALANCE at CLOSING | \$ | 98,891.50 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | | \$101,950.00 | | |

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 09-SEP-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

| | |
|---------|------|
| (BUYER) | DATE |
| (BUYER) | DATE |
| (BUYER) | DATE |
| (BUYER) | DATE |

(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KH0V035452

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance restrictions preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 11th day of July, 1993.

Buyer: 

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:


WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

BUYER

DATE

KHOV035456

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN; THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|--------------------------------------|
| | GENERAL LIABILITY | | | | GENERAL AGGREGATE \$ 500,000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | PRODUCTS-COMP/OP AGG. \$ 300,000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 300,000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 300,000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 5,000 |
| | | | | | MED. EXPENSE (Any one person) \$ 500 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | |
| | <input type="checkbox"/> GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | | | | |
| | <input checked="" type="checkbox"/> Blanket Building | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | <input type="checkbox"/> Contents | | | | |
| | <input checked="" type="checkbox"/> Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: ANGELA ONAFOWORA, UNMARRIED AND LAURA L. ONAFOWORA, UNMARRIED
LOC: 92 CALLAHAN COURT, NEWARK, NJ 07103 (22B2) LOT: 22.04 BLOCK: 406**CERTIFICATE HOLDER**COUNTY MORTGAGE COMPANY, INC.,
ITS SUCCESSORS AND/OR ASSIGNS
33 CLINTON ROAD
WEST CALDWELL, NJ 07006**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OF
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE

01003600

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
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DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

| | | |
|----------------|---|------------------------|
| COMPANY LETTER | A | St. Paul Fire & Marine |
| COMPANY LETTER | B | |
| COMPANY LETTER | C | |
| COMPANY LETTER | D | |
| COMPANY LETTER | E | |

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|---|---------------|----------------------------------|-----------------------------------|---------------------------------------|
| | GENERAL LIABILITY | | | | |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 5000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | |
| | <input type="checkbox"/> ANY AUTO | | | | COMBINED SINGLE LIMIT \$ - |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per person) \$ - |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | BODILY INJURY (Per accident) \$ - |
| | <input type="checkbox"/> HIRED AUTOS | | | | PROPERTY DAMAGE \$ - |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | |
| | <input type="checkbox"/> GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | |
| | <input type="checkbox"/> UMBRELLA FORM | | | | EACH OCCURRENCE \$ - |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | AGGREGATE \$ - |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ - |
| | | | | | DISEASE-POLICY LIMIT \$ - |
| | | | | | DISEASE-EACH EMPLOYEE \$ - |
| | OTHER | | | | |
| | <input checked="" type="checkbox"/> Blanket Building | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | <input type="checkbox"/> Contents | | | | |
| | <input checked="" type="checkbox"/> Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ANGELA ONAFOWORA, UNMARRIED AND LAURA L. ONAFOWORA, UNMARRIED
LOC: 92 CALLAHAN COURT, NEWARK, NJ 07103 (22B2) LOT: 22.04 BLOCK: 406

CERTIFICATE HOLDER

COUNTY MORTGAGE COMPANY, INC.,
ITS SUCCESSORS AND/OR ASSIGNS
33 CLINTON ROAD
WEST CALDWELL, NJ 07006

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

01003600

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ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
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LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|--|---------------|-------------------------------------|--------------------------------------|--|
| | GENERAL LIABILITY | | | | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 5000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | |
| | <input type="checkbox"/> GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | | | | |
| | A Blanket Building Contents | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | A Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

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33 CLINTON ROAD
WEST CALDWELL, NJ 07006**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
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LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: WHITNEY
Lot: 22.05 Block: 406
Address: 98 CALLAHAN COURT
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$87,795.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

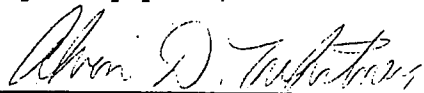
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


ALVIN D. WHITNEY

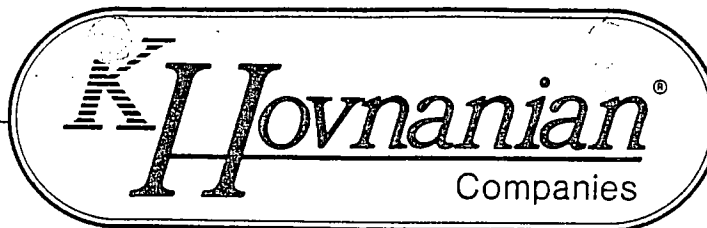
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035486



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: WHITNEY
Lot: 22.05 Block: 406
Address: 98 CALLAHAN COURT
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$87,795.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.


The bank who holds our mortgage is:

Our Mortgage Account No.:

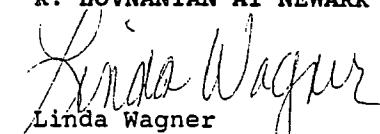
Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


ALVIN D. WHITNEY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035487

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ALVIN D. WHITNEY, MARRIED

the GRANTEE

about to reside at 98 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$87,795.00 EIGHTY SEVEN THOUSAND SEVEN HUNDRED NINETY FIVE AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. C1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.05, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

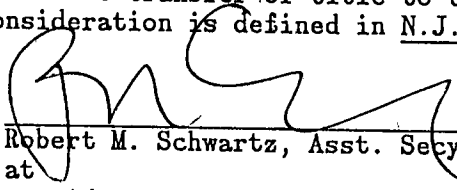
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

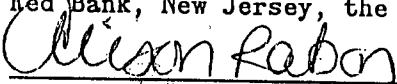
KHOV035504

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 87,795.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE ALVIN D. WHITNEY

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber ALVIN D. WHITNEY, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.


NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
ALVIN D. WHITNEY

CHARGE, RECORD AND RETURN TO TERRENCE HULL, ESQUIRE
853 KEARNY AVENUE
KEARNY, NJ 07032

KHOV035505

AFFIDAVIT

STATE OF NEW JERSEY:

ss.

COUNTY OF MONMOUTH :

WAYNE J. SOOJIAN and ROBERT M. SCHWARTZ say under oath:

That, to the best of his knowledge and belief the statements in this Affidavit are true; that they are of full age, citizens of the United States and reside Holmdel, New Jersey and North Caldwell, New Jersey; they are Sales & Marketing Director and Assistant Secretary of K. Hovnanian at Newark Urban Renewal Corporation III, Inc. a corporation of the State of New Jersey, which is now in possession and the owner of property located in the City of Newark, Essex County, New Jersey, known as Unit No. C1, in Building No. 22, Parking Space No. 22C1, in Society Hill at University Heights III, a Condominium and its related and appurtenant undivided percentage of Common Elements ("Property"). This unit is being sold to ("Buyer").

The Property upon which said unit is located has been owned by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. since on or before November 20, 1990; no one has questioned the ownership or possession of the Property nor are we aware of anything that would affect our ownership or possession; the corporation has not contracted with anyone else for the sale or possession of the above referenced condominium unit which contract has not been voided and is of no further force and legal effect.

We and any other officers who have executed any and all documents related to the closing on the above transaction have been authorized by the Board of Directors of K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to sign this Affidavit and we and other officers of the corporation are authorized to sign any other documents needed to sell the Property. The Corporation is a New Jersey Corporation which has paid any and all income or franchise taxes which may be a lien on the Property.

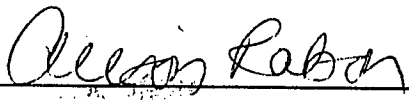
All appropriate permits for construction on the Property have been obtained and paid for by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. There are no mechanics liens filed, or about to be filed, against the Property and if there are any liens against the Property as a result of the corporation's ownership or improvement of the Property, those liens will be satisfied from the money paid by Buyer. There are no pending lawsuits against the Corporation which could result in a lien against the Property. The Corporation is not involved in bankruptcy or insolvency proceedings and all corporate franchise, social security, unemployment and disability taxes and any other liabilities which could become liens on the Property have been paid.

The Property and this affidavit are subject to zoning ordinances, restrictions and easements of record, conditions shown on an accurate survey, buildings set back lines, Society Hill at University Heights III, a Condominium Master Deed and any amendments, and possible additional real estate taxes for the current year. K. Hovnanian at Newark Urban Renewal Corporation III, Inc., will be responsible for its pro rata share of any real estate taxes due and payable for any period of time prior to the date of closing of title.

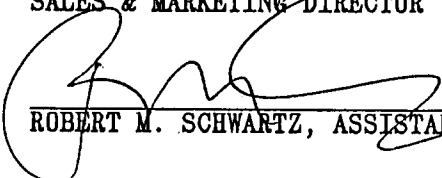
The Affidavit is made to induce the Buyer to accept the Deed from the Corporation. The Corporation recognizes that the Buyer is relying on the truthfulness of the Affidavit.

Sworn and Subscribed to
before me this 28TH day
of FEBRUARY, 1994.

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.


ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996


WAYNE J. SOOJIAN
SALES & MARKETING DIRECTOR


ROBERT M. SCHWARTZ, ASSISTANT SECRETARY

KHOV035507

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Neaker Sharkey & MacBean
21 Commerce Drive
Oranford, NJ 07016

908-272-3100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

INSURED Soc. Hill & University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|--|---------------|-------------------------------------|--------------------------------------|---|
| A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 5000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE
LIMIT \$
BODILY INJURY
(Per person) \$
BODILY INJURY
(Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A | OTHER
Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ALVIN D. WHITNEY, MARRIED
LOC: 98 CALLAHAN COURT, NEWARK, NJ 07103 (22C1) LOT: 22.05 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCERMeeker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
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| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|--|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Bldg. & Cnts | | | | |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: ALVIN D. WHITNEY, MARRIED
LOC: 98 CALLAHAN COURT, NEWARK, NJ 07103 (22C1) LOT: 22.05 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Sac. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
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| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | A Bldg. & Cnts | | | | |
| | A Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: ALVIN D. WHITNEY, MARRIED
LOC: 98 CALLAHAN COURT, NEWARK, NJ 07103 (22C1) LOT: 22.05 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C1

The Purchase Agreement between Alvin D. Whitney BUYER(S)
BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 14-dec-1993.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 88,708.72
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,661.26
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 86,047.45
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 82,600.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 87,958.72
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

1-20-94
DATE

X Alvin D. Whitney
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035533

ak

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc., Seller; and

Alvin D. Whitney

_____, Buyer.

UNIT: C1 BLDG. 22

PURCHASE AGREEMENT DATED: 14-dec-1993

- (1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to: \$163.72
- (2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE 1-27-94

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 1-20-94

"BUYER"
X Alvin D. Whitney

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C1

The Purchase Agreement between Alvin D. Whitney BUYER(S)
_____ BUYER(S)

and K. HOVNIANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 12-14-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 88,545.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 87,545.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 82,600.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 87,495.00
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12-23-95
DATE

X Alvin D. Whitney
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035535

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ALVIN D. WHITNEY (M) of 110 POST AVE.
Tel: Res: (212) 567-8551 NEW YORK
Bus: (201) 974-6470 NY ,10034..

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.05
BLDG NO.: 22 , UNIT NO: C1 , MODEL: STH1050-G >LOWER

The PURCHASE PRICE : \$ 86,950.00
Consisting of:
BASE PRICE of MODEL \$ 86,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 14-DEC-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 14-DEC-1993
ADDITIONAL DEPOSIT \$ 1,608.50 BY DATE 13-JAN-1994
BALANCE at CLOSING \$ 84,341.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 86,950.00

MORTGAGE AMOUNT : \$ 82,600.00 MORTGAGE CONTINGENCY DATE: 12-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) 12.20.93 DATE

X Alvin D. Whitney 12-14-93
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035540



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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| 23. MORTGAGE CONTINGENCY | 3 |
| 24. INSULATION | 4 |
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| 26. OWNER/INVESTOR REPRESENTATION | 4 |
| 27. ATTORNEY REVIEW | 4 |

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion; provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, if Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 14 day of Dec, 199 3.

Buyer:

Armen D. Tututney

Joseph J. Hanley

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Armen D. Tututney 12-14-93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

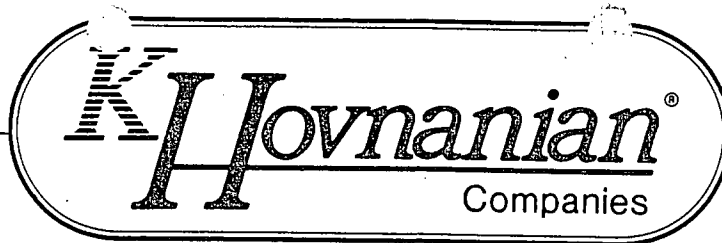
BY:

Wayne
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

12-20-93

KHOV035544



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BECKLES/FULLER
Lot: 22.07 Block: 406
Address: 102 Callahan Court
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$61,200.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.


The bank who holds our mortgage is:


Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

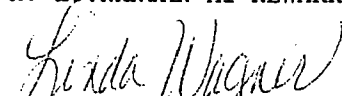
Please change your account records immediately to reflect the above.

Very truly yours,


Buyer HAROLD E. BECKLES


Buyer BERNICE A. FULLER

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035551

K Hovnanian[®] Companies

MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: BECKLES/FULLER
Lot: 22.07 Block: 406
Address: 102 Callahan Court
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$61,200.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

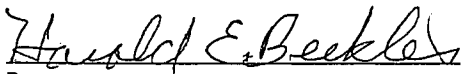
The bank who holds our mortgage is:

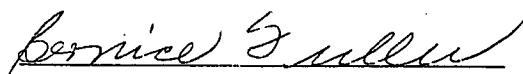
Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.


Please change your account records immediately to reflect the above.

Very truly yours,


Buyer HAROLD E. BECKLES


Buyer BERNICE A. FULLER

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035552

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND HAROLD E. BECKLES, UNMARRIED AND BERNICE A. FULLER, UNMARRIED
the GRANTEE

about to reside at 102 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$61,200.00
SIXTY ONE THOUSAND TWO HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. D1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 18, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV035578

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN
MENTIONED RESTRICTION AND ANY SALE AND VIOLATION
BE VOID AND CAUSE A REVERSION OF TITLE TO K.
RENEWAL CORPORATION III, INC., WHO, DURING THE
PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTH
PURCHASER. This restriction shall be a covenant

DATE OF CO

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The Grantee promises, covenants and agrees _____ one claiming title from, through or under the Grantee shall be subject to the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

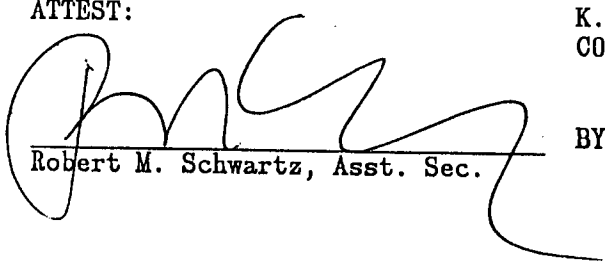
Any revesting of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.07, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

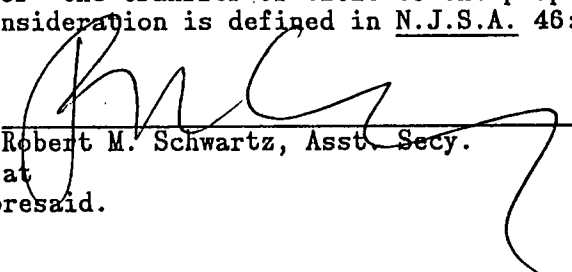

Robert M. Schwartz, Asst. Sec.

BY: 
WAYNE J. SOOJIAN,
Sales & Marketing Director

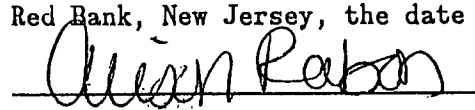
KHOV035579

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 61,200.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE HAROLD E. BECKLES

GRANTEE BERNICE A. FULLER

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber HAROLD E. BECKLES & BERNICE A. FULLER personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
HAROLD E. BECKLES AND BERNICE A. FULLER

CHARGE, RECORD AND RETURN TO _____
CAROLYN RYAN REED, ESQUIRE
269 ROBERTS ROAD
ORANGE, NJ 07050

KHOV035580

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: Linda Wagner
LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between HAROLD E. BECKLES, UNMARRIED & BERNICE A. FULLER, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 102 CALLAHAN COURT
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.07

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV035584



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A St. Paul Fire & Marine

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|--|---------------|----------------------------------|-----------------------------------|---|
| A | GENERAL LIABILITY
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY
CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
<input type="checkbox"/> SCHEDULED AUTOS
<input type="checkbox"/> HIRED AUTOS
<input type="checkbox"/> NON-OWNED AUTOS
<input type="checkbox"/> GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| | OTHER
A Blanket Building Contents | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | A Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: HAROLD E. BECKLES, UNMARRIED AND BERNICE A. FULLER, UNMARRIED
LOC: 102 CALLAHAN COURT, NEWARK, NJ 07103 (22D1) LOT: 22.07 BLOCK: 406

CERTIFICATE HOLDER

MIDLANTIC NATIONAL BANK,
ITS SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
710 TURNPIKE ROAD
EAST BRUNSWICK, NJ 08816

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010038000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBearn
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-------------------------------------|--|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| <input checked="" type="checkbox"/> | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 50000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 30000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | PERSONAL & ADV. INJURY \$ 30000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT | | | | EACH OCCURRENCE \$ 30000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| <input type="checkbox"/> | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| <input type="checkbox"/> | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| <input type="checkbox"/> | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE—POLICY LIMIT \$ |
| | | | | | DISEASE—EACH EMPLOYEE \$ |
| <input checked="" type="checkbox"/> | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Blanket Building Contents | | | | |
| <input checked="" type="checkbox"/> | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: HAROLD E. BECKLES, UNMARRIED AND BERNICE A. FULLER, UNMARRIED
LOC: 102 CALLAHAN COURT, NEWARK, NJ 07103 (22D1) LOT: 22.07 BLOCK: 406**CERTIFICATE HOLDER**MIDLANTIC NATIONAL BANK,
ITS SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
710 TURNPIKE ROAD
EAST BRUNSWICK, NJ 08816**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERHecker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
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DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY A St. Paul Fire & Marine
LETTERCOMPANY B
LETTERCOMPANY C
LETTERCOMPANY D
LETTERCOMPANY E
LETTER**INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| | GENERAL LIABILITY | | | | GENERAL AGGREGATE \$ 5000000 |
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | |
| | <input type="checkbox"/> GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | | | | |
| A | Blanket Building | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Contents | | | | |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: HAROLD E. BECKLES, UNMARRIED AND BERNICE A. FULLER, UNMARRIED
LOC: 102 CALLAHAN COURT, NEWARK, NJ 07103 (22D1) LOT: 22.07 BLOCK: 406**CERTIFICATE HOLDER**MIDLANTIC NATIONAL BANK,
ITS SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
710 TURNPIKE ROAD
EAST BRUNSWICK, NJ 08816**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
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LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN ONEMARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): HAROLD E. BECKLES (u) of 10 NORTH HAWTHORNE LANE
Tel: Res: (201) 484-8645 NEWARK
Bus: () NJ 07107.
BERNICE A. FULLER (u) of 214 WEST MARKET STREET/APT 1
Tel: Res: (201) 624-0463 NEWARK
Bus: () NJ 07103.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.07
BLDG NO.: 22 , UNIT NO: D1 , MODEL: STH1050-CM >LOWER M.L. M

The PURCHASE PRICE : \$ 61,200.00
Consisting of:
BASE PRICE of MODEL \$ 61,200.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 30-OCT-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-OCT-1993
ADDITIONAL DEPOSIT \$ 836.00 BY DATE 29-NOV-1993
BALANCE at CLOSING \$ 59,364.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 61,200.00

MORTGAGE AMOUNT : \$ 59,350.00 MORTGAGE CONTINGENCY DATE: 29-DEC-1993
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian, Inc. Newark
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV035613

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. INSULATION—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ will not be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of October, 1993.

Buyer: Harold E. Beckles

Lisa M. Weems

Buyer: Bernice A. Sullivan

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BUYER

DATE

WAYNE SOCHAN,
DIRECTOR OF MARKETING AND SALES

DATE

KHOV035617

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 25, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JACQUELINE E. BARLOW, UNMARRIED

the GRANTEE

about to reside at 96 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$97,996.30
NINETY SEVEN THOUSAND NINE HUNDRED NINETY SIX AND 30/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. C2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.06, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

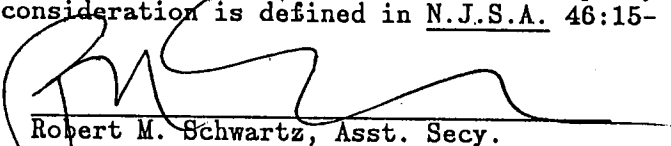
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

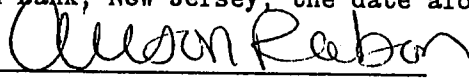
KHOV035646

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 25, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 97,996.30.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 25TH day of FEBRUARY, 1994.

GRANTEE JACQUELINE E. BARLOW

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 25TH day of FEBRUARY, 1994, before me, the subscriber JACQUELINE E. BARLOW, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
JACQUELINE E. BARLOW

CHARGE, RECORD AND RETURN TO PATRICIA A. HURT, ESQUIRE
16 GREEN STREET
NEWARK, NJ 07102

KHOV035647

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E**

INSURED Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-------------------------------------|--|---------------|-------------------------------------|--------------------------------------|--|
| <input checked="" type="checkbox"/> | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5,000,000 |
| <input checked="" type="checkbox"/> | COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 3,000,000 |
| <input type="checkbox"/> | CLAIMS MADE OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3,000,000 |
| <input type="checkbox"/> | OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3,000,000 |
| <input type="checkbox"/> | | | | | FIRE DAMAGE (Any one fire) \$ 50,000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5,000 |
| <input type="checkbox"/> | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| <input type="checkbox"/> | ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| <input type="checkbox"/> | ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| <input type="checkbox"/> | SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| <input type="checkbox"/> | HIRED AUTOS | | | | |
| <input type="checkbox"/> | NON-OWNED AUTOS | | | | EACH OCCURRENCE \$ |
| <input type="checkbox"/> | GARAGE LIABILITY | | | | AGGREGATE \$ |
| <input type="checkbox"/> | EXCESS LIABILITY | | | | STATUTORY LIMITS |
| <input type="checkbox"/> | UMBRELLA FORM | | | | EACH ACCIDENT \$ |
| <input type="checkbox"/> | OTHER THAN UMBRELLA FORM | | | | DISEASE-POLICY LIMIT \$ |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | DISEASE-EACH EMPLOYEE \$ |
| <input type="checkbox"/> | OTHER Blanket Building | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| <input type="checkbox"/> | Contents | | | | |
| <input type="checkbox"/> | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

July 21/10/94
**CERTIFIED TO BE
A TRUE COPY**

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JACQUELINE E. BARLOW, UNMARRIED

LOC: 96 CALLAHAN COURT, NEWARK, NJ 07103 (22C2) LOT: 22.06 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL ____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD.**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|--------------------------|-------------------------------------|--------------------------------------|---|
| | GENERAL LIABILITY
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY
CLAIMS MADE <input type="checkbox"/> OCCUR
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5,000,000
PRODUCTS-COMP/OP AGG. \$ 300,000
PERSONAL & ADV. INJURY \$ 300,000
EACH OCCURRENCE \$ 300,000
FIRE DAMAGE (Any one fire) \$ 50,000
MED. EXPENSE (Any one person) \$ 5,000 |
| | AUTOMOBILE LIABILITY
<input type="checkbox"/> ANY AUTO
<input type="checkbox"/> ALL OWNED AUTOS
<input type="checkbox"/> SCHEDULED AUTOS
<input type="checkbox"/> HIRED AUTOS
<input type="checkbox"/> NON-OWNED AUTOS
<input type="checkbox"/> GARAGE LIABILITY | | | | COMBINED SINGLE
LIMIT \$
BODILY INJURY
(Per person) \$
BODILY INJURY
(Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
<input type="checkbox"/> UMBRELLA FORM
<input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| | OTHER
Blanket Building Contents
Fidelity | BC02900238
BC02900238 | 1/01/94
1/01/94 | 1/01/95
1/01/95 | \$11,475,000.
100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: JACQUELINE E. BARLOW, UNMARRIED
LOC: 96 CALLAHAN COURT, NEWARK, NJ 07103 (22C2) LOT: 22.06 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 15 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBearn
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-------------------------------------|--|---------------|-------------------------------------|--------------------------------------|--|
| | GENERAL LIABILITY | | | | GENERAL AGGREGATE \$ 5000000 |
| <input checked="" type="checkbox"/> | COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| <input type="checkbox"/> | CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| <input type="checkbox"/> | OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE
LIMIT \$ |
| <input type="checkbox"/> | ANY AUTO | | | | BODILY INJURY
(Per person) \$ |
| <input type="checkbox"/> | ALL OWNED AUTOS | | | | BODILY INJURY
(Per accident) \$ |
| <input type="checkbox"/> | SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| <input type="checkbox"/> | HIRED AUTOS | | | | |
| <input type="checkbox"/> | NON-OWNED AUTOS | | | | |
| <input type="checkbox"/> | GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| <input type="checkbox"/> | UMBRELLA FORM | | | | AGGREGATE \$ |
| <input type="checkbox"/> | OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| <input checked="" type="checkbox"/> | OTHER | | | | |
| <input checked="" type="checkbox"/> | Blanket Building | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| <input checked="" type="checkbox"/> | Contents | | | | |
| <input checked="" type="checkbox"/> | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JACQUELINE E. BARLOW, UNMARRIED

LOC: 96 CALLAHAN COURT, NEWARK, NJ 07103 (22C2) LOT: 22.06 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ak

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 32

Unit No.: C2

The Purchase Agreement between Jacqueline E. Barlow BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 9/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,366.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,980.99
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 96,385.31
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,350.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,996.30.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

10-3-93
DATE

x Jacqueline E. Barlow
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035685

CR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: C4

The Purchase Agreement between Jacqueline E. Barlow BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 9/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,366.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,222.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,143.81
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,385.31
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,996.30
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-26-93
DATE

Jacqueline E. Barlow
BUYER

BUYER

BUYER

SELLER CORPORATION:

KHOV035686

BY:

Wayne Socinian
WAYNE SOCINIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV035686.01

91,950.00 +

7,416.30 +

002

99,366.30 +

620.00 -

750.00 -

003

97,996.30 **

...

DATE: 10/1/93

INCREASED PURCHASE PRICE SUMMARY

PROJECT: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BUILDING: 22 UNIT: C2

PURCHASER: BARLOW

| <u>ITEM</u> | <u>AMOUNT</u> |
|------------------------------|-----------------------------|
| CONTRACT PURCHASE PRICE: | <u>\$91,950.00</u> |
| DECORATOR SELECTION #: | <u>\$7,416.30</u> |
| WORK AUTHORIZATION #: | <u> </u> |
| WORK AUTHORIZATION #: | <u> </u> |
| CREDIT WORK AUTHORIZATION #: | <u> </u> |

(LESS) NON REALTY ITEMS:

| | |
|---------------------|-----------------|
| <u>Refrigerator</u> | <u>\$620.00</u> |
| <u>Icemaker</u> | <u>N/A</u> |
| <u>Washer</u> | <u>N/A</u> |
| <u>Dryer</u> | <u>\$750.00</u> |

TOTAL NON REALTY ITEMS: \$1,370.00

TOTAL DEED AMOUNT: \$ 97,996.30

KHOV035687

BLDG NO: 22 UNIT: C2
MODEL : SM1030-U SUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

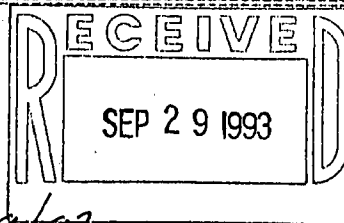
BUYER : BARLOW
CONTRACT DATE: 03-sep-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|----------------------------------|-----------------------|-----------|----------|---------------|-------------------------|
| 01-----APPLIANCES----- | | | | | | |
| ADX01 | WASTE DISPOSAL | DISPOSAL | GEC22R | | | 130.00 <N |
| ADX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GS0500 | WHITE | WHITE | 340.00 <N |
| AFX01 | REFRIGERATOR | 18.2 CF REFRIGERATOR | TRX1334S | WHITE | WHITE | 620.00 |
| AMX01 | MICROWAVE OVEN | OVER RANGE (NON-VENT) | JVM131 | BLACK | BLACK | 505.00 <N |
| ARS00 | RANGE | STANDARD RANGE | JGB013GE | WHITE | WHITE | 0.00 |
| AYX01 | DRYER | WASHER/DRYER STACK | WSH2400 | WHITE | WHITE | 750.00 |
| 02-----CABINETS----- | | | | | | |
| KCU05 | KITCHEN CABINETS | NATURAL TANO | | | | 425.00 <N |
| KIS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 1742-1 | WHITE POMPEII | 0.00 |
| 03-----FLOORING----- | | | | | | |
| Zone: 01 2ND FLOOR | | | | | | |
| | CARPETING | AMERICA | 46 | 35.33 SY | 8749 | DIAMOND DUST FCC0101A03 |
| Zone: 02 1ST FLOOR STAIRS/HALL | | | | | | |
| | CARPETING | AMERICA | 46 | 71.67 SY | 8749 | DIAMOND DUST FCC0102A03 |
| Zone: 03 KITCHEN/ENTRY | | | | | | |
| | LINOLEUM FLOORING | DESIGNER | | 14.67 SY | 89650 | ELC0103A03 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XFS01 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 1866.30 <N |
| 04-----SELECTIONS: INTERIOR----- | | | | | | |
| MBU00 | BIFOLD DOORS | BEDROOM #1 | M1-BIFOLD | 4'0" | | 140.00 <N |
| MBU01 | BIFOLD DOORS | BEDROOM #2 | M1-BIFOLD | 4'0" | | 140.00 <N |
| 08-----FEATURES: EXTERIOR----- | | | | | | |
| EDX01 | DECK FEATURE | OPTIONAL BALCONY | | | | 2500.00 <N |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Jacqueline C. Barlow*
PURCHASER :
DATE : *9-26-93*

SALES REP : *Jim Wuma*
SALES REP : *Quinn Kabin 9-28-93*
CONST. REP : *W. J. Hall 9/29/93*



GRAND TOTAL \$ 7416.30
Incl. Mortg. Sel \$ 6046.30
AMOUNT DUE NOW \$ 222.49
AMOUNT PAID NOW \$ 222.49 "CK"
AMOUNT DUE AT CLOS \$ 7193.81

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN UNEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JACQUELINE E BARLOW (u) of 17 STECHER STREET
Tel: Res: (201) 926-6488 NEWARK
Bus: () - NJ ,07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.06
BLDG NO.: 22 , UNIT NO: C2 , MODEL: STH1050-U >UPPER

The PURCHASE PRICE : \$ 91,950.00
Consisting of:
BASE PRICE of MODEL \$ 91,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 03-SEP-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 03-SEP-1993
ADDITIONAL DEPOSIT \$ 1,758.50 BY DATE 03-OCT-1993
BALANCE at CLOSING \$ 89,191.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 91,950.00

MORTGAGE AMOUNT : \$ 89,150.00 MORTGAGE CONTINGENCY DATE: 02-NOV-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035689

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings; driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of August ~~September~~, 1993.

Buyer: x Jacqueline Barbo

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

x Jacqueline Barbo 9-3-93
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 33, P.O. BOX 500
RED BANK, NEW JERSEY 0701 (908) 747-7800

BY: Wayne 9-5-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV035693



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CATWELL
Lot: 22.08 Block: 406
Address: 100 CALLAHAN COURT
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$63,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Jessica P. Catwell
JESSICA P. CATWELL

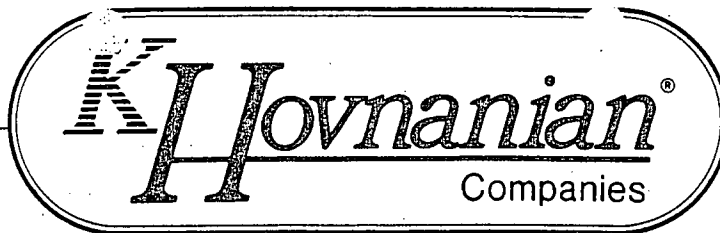
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035699



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CATWELL
Lot: 22.08 Block: 406
Address: 100 CALLAHAN COURT
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$63,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Jessica P. Catwell
JESSICA P. CATWELL

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035700

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

500 Hill @ University Hts. III
c/o Eastern Community Hgms
225 Highway 35
Red Bank
NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|------------------------------|---------------|-------------------------------------|--------------------------------------|-------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| | CLAIMS MADE OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 50000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | HIRED AUTOS | | | | |
| | NON-OWNED AUTOS | | | | |
| | GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | UMBRELLA FORM | | | | AGGREGATE \$ |
| | OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION | | | | STATUTORY LIMITS |
| | AND | | | | EACH ACCIDENT \$ |
| | EMPLOYERS' LIABILITY | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

10/20/94
**CERTIFIED TO BE
A TRUE COPY**

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

JESSICA P. CATWELL, UNMARRIED
100: 100 CALLAHAN COURT, NEWARK, NJ 07103 (22D2) LOT: 22.08 BLOCK: 406

CERTIFICATE HOLDER

K¹ HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010098000

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JESSICA P. CATWELL, UNMARRIED

the GRANTEE

about to reside at 100 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$63,700.00
SIXTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. D2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV035736

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is 2-24-94.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN ACCORDANCE WITH THE ABOVE MENTIONED RESTRICTION AND ANY SALE AND VIOLATION OF THIS RESTRICTION SHALL BE VOID AND CAUSE A REVERSION OF TITLE TO K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., WHO, DURING THE REMAINDER OF THE TEN YEAR PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER LOW OR MODERATE INCOME PURCHASER. This restriction shall be a covenant that runs with the land.

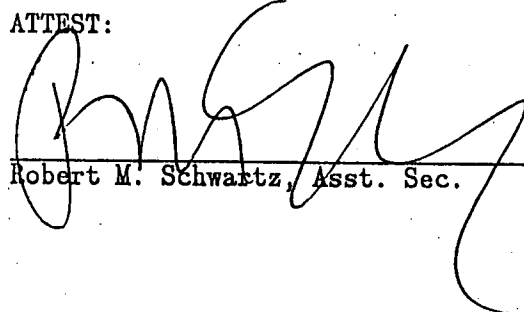
The Grantee promises, covenants and agrees with Grantor that anyone claiming title from, through or under the Grantee shall be subject to the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

Any revesting of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.08, in Block No. 406, on the tax map of the City of Newark.

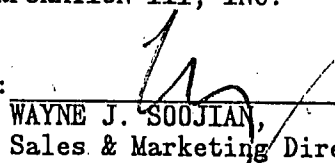
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

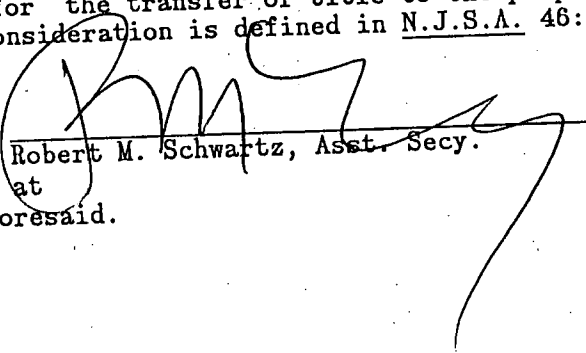
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

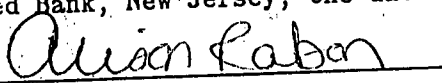
KHOV035737

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 63,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE JESSICA P. CATWELL

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber JESSICA P. CATWELL, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
JESSICA P. CATWELL

CHARGE, RECORD AND RETURN TO

ALISON KOSBERG, ESQUIRE
860 U.S. HIGHWAY NO. 1
EDISON, NJ 08817

KHOV035738

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: Linda Wagner

LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between JESSICA P. CATWELL, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 100 CALLAHAN COURT
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.08

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV035739

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JESSICA P. CATWELL, UNMARRIED

LOC: 100 CALLAHAN COURT, NEWARK, NJ 07103 (22D2) LOT: 22.08 BLOCK: 406

CERTIFICATE HOLDER

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THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
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010036000

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| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
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AND
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| | Bldg. & Cnts | | | | \$100,000. |
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LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JESSICA P CATWELL (u) of 611 HALSEY STREET
Tel: Res: (718) 452-2109 BROOKLYN
Bus: (718) 361-3700 NY , 11233.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO.: 406 , LOT NO: 22.08
BLDG NO.: 22 , UNIT NO: D2 , MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 05-FEB-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 05-FEB-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 07-MAR-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 16 MAR 1994
Estimated COMPLETION DATE: 06 APR 1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

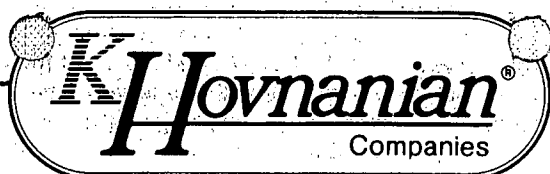
K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.
(SELLER) 23-94 DATE

Jessica P. Catwell 2/5/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035755



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss. **LISA M. WEEMS**
County of Essex) **NOTARY PUBLIC OF NEW JERSEY**
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 5th day of February, 1994.

Buyer: x Jessica P. Catwell

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

x Jessica P. Catwell 2/5/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: [Signature] 2.8.94
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KH0V035759

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): JESSICA P CATWELL (u) of 611 HALSEY STREET
Tel: Res: (718) 452-2109 BROOKLYN
Bus: (718) 361-3700 NY , 11233.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.04
BLDG NO.: 23 , UNIT NO: B2 , MODEL: STH1050-UM UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 15-JAN-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 15-JAN-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 14-FEB-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 16-MAR-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035761



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 15th day of January, 1994.

Buyer: x Jessica Catwell

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

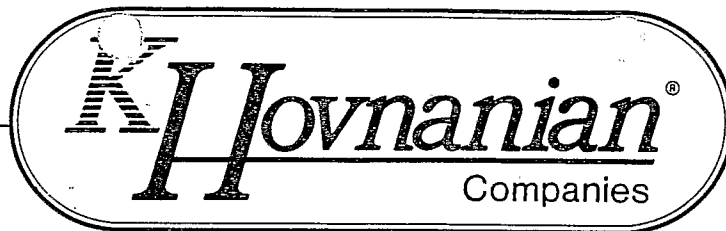
YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

x Jessica Catwell 1/15/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 1/17/94
WAYNE SOOJIAN DATE
DIRECTOR OF MARKETING AND SALES



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: REED
Lot: 22.09 Block: 406
Address: 106 CALLAHAN COURT
NEWARK, NJ 07103

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$33,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Bertha Reed
BERTHA REED

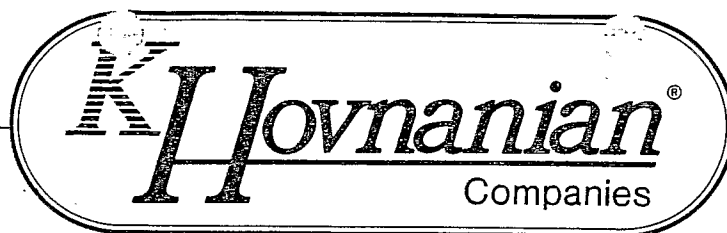
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035774



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

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and Special Taxes
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Our Mortgage Account No.:

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Very truly yours,

Bertha Reed

BERTHA REED

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KH0V035775

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND BERTHA REED, UNMARRIED

the GRANTEE

about to reside at 106 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$33,700.00
THIRTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. E1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

KHOV035797

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN MENTIONED RESTRICTION AND ANY SALE AND VIOLATION BE VOID AND CAUSE A REVERSION OF TITLE TO K. RENEWAL CORPORATION III, INC., WHO, DURING THE PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER PURCHASER. This restriction shall be a covenant

DATE OF CO

JVE
LL
JAN
JAN
JME

The Grantee promises, covenants and agrees one claiming title from, through or under the Grantor the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

Any revesting of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.09, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

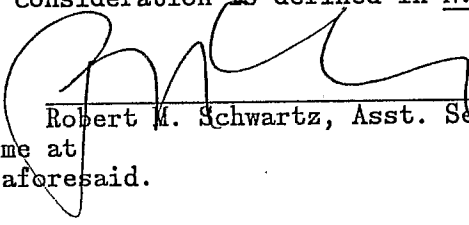
BY:

WAYNE J. SOOJIAN
Sales & Marketing Director

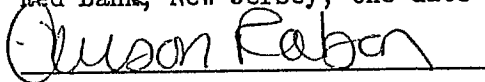
KHOV035798

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 33,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE BERTHA REED

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber BERTHA REED, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
BERTHA REED

CHARGE, RECORD AND RETURN TO

PATRICIA A. HURT, ESQUIRE
16 GREEN STREET
NEWARK, NJ 07102

KHOV035799

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by:

Linda Wagner
LINDA WAGNER

This Mortgage made on FEBRUARY 28, 19 94 between BERTHA REED, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 106 CALLAHAN COURT
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.09
Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV035803

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E**

INSURED Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|---------------------------------------|---|--------------------------|-------------------------------------|--------------------------------------|---|
| <input checked="" type="checkbox"/> A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE
LIMIT \$
BODILY INJURY
(Per person) \$
BODILY INJURY
(Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| | OTHER
Blanket Building
Contents
Fidelity | BC02900238
BC02900238 | 1/01/94
1/01/94 | 1/01/95
1/01/95 | \$11,475,000.
100,000 |

Handwritten signature
CERTIFIED TO BE
A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: **BERTHA REED, UNMARRIED**

LOC: 106 CALLAHAN COURT, NEWARK, NJ 07103 (22E1) LOT: 22.09 BLOCK: 406

KHOV035807**CERTIFICATE HOLDER**

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *[Signature]* 010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A St. Paul Fire & Marine

COMPANY B

COMPANY C

COMPANY D

COMPANY E

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|---|---------------|----------------------------------|-----------------------------------|---------------------------------------|
| | GENERAL LIABILITY | | | | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | |
| | <input type="checkbox"/> GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | | | | |
| | A Blanket Building | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | A Contents | | | | |
| | A Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: BERTHA REED, UNMARRIED

LOC: 106 CALLAHAN COURT, NEWARK, NJ 07103 (22E1) LOT: 22.09 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|--|
| | GENERAL LIABILITY | | | | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | |
| | <input type="checkbox"/> GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | | | | |
| | <input checked="" type="checkbox"/> Blanket Building Contents | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | <input checked="" type="checkbox"/> Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: **BERTHA REED, UNMARRIED**LOC: **106 CALLAHAN COURT, NEWARK, NJ 07103 (22E1) LOT: 22.09 BLOCK: 406****CERTIFICATE HOLDER**

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN URBAN-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): BERTHA REED (u) of 101 DAYTON TERRACE/APT 3A
Tel: Res: (201) 242-7384 NEWARK
Bus: (201) 379-9203 NJ , 07114.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.09
BLDG NO: 22 , UNIT NO: E1 , MODEL: STH1050-GL >LOWER M.L. L

The PURCHASE PRICE : \$ 33,700.00
Consisting of:
BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 20-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 20-NOV-1993
ADDITIONAL DEPOSIT \$ 11.00 BY DATE 20-DEC-1993
BALANCE at CLOSING \$ 32,689.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 33,700.00

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 19-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

11.22.93
DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGraevy
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035833

TERMS AND CONDITIONS — PURCHASE AGREEMENT

TABLE OF CONTENTS

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| 1. DEPOSITS | 1 |
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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Jovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 13, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of November, 1993.

Buyer: Bertha Reed

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

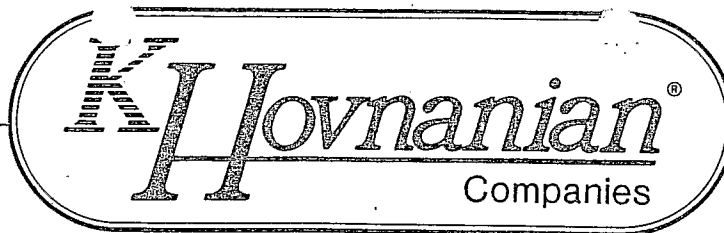
Bertha Reed 11/20/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 11.22.93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

KHOV035837



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SYKES
Lot: 22.10 Block: 406
Address: 104 CALLAHAN COURT
NEWARK, NJ 07103

Closing date: *February 28, 1994*

Deed Amount: \$38,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

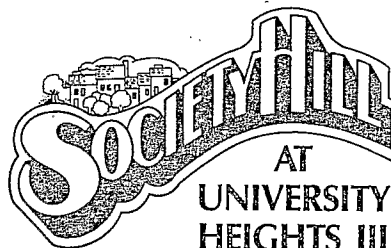
Please change your account records immediately to reflect the above.

Very truly yours,

Evelyn A Sykes
EVELYN A. SYKES

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035843



March 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SYKES
Lot: 22.10 Block: 406
Address: 104 CALLAHAN COURT
NEWARK, NJ 07103

Closing date: February 28, 1994

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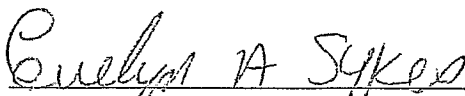
The bank who holds our mortgage is:

Our Mortgage Account No.:


Please direct all original tax and tax abatement bills to my bank and send me copies of same.

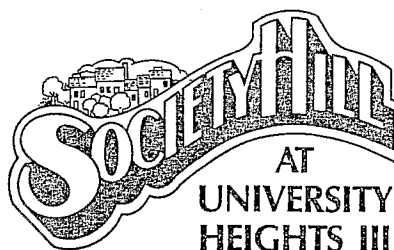
Please change your account records immediately to reflect the above.

Very truly yours,


EVELYN A. SYKES

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035844

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND EVELYN A. SYKES, UNMARRIED

the GRANTEE

about to reside at 104 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$38,700.00
THIRTY EIGHT THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

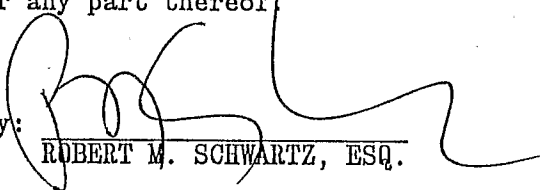
Unit No. E2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV035866

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN
MENTIONED RESTRICTION AND ANY SALE AND VIOLATION
BE VOID AND CAUSE A REVERSION OF TITLE TO K
RENEWAL CORPORATION III, INC., WHO, DURING THE
PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER
PURCHASER. This restriction shall be a covenant

DATE OF CO

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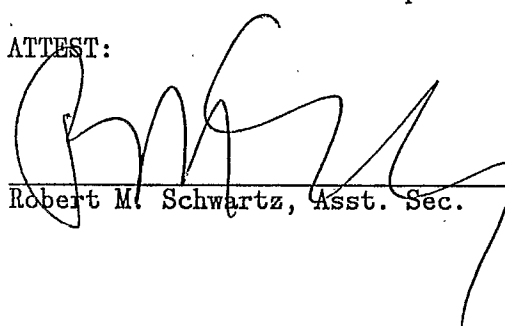
The Grantee promises, covenants and agrees one claiming title from, through or under the Grant the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.10, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

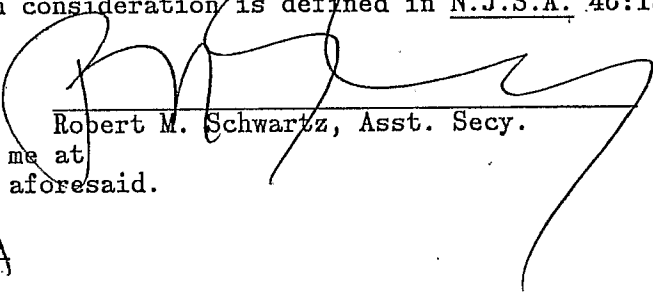
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

KHOV035867

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 38,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE
EVELYN A. SYKES

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber EVELYN A. SYKES, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____

EVELYN A. SYKES

CHARGE, RECORD AND RETURN TO

LISA HENDRICKS-RICHARDSON, ESQUIRE

535 DR. MARTIN LUTHER KING, JR. BLVD.

NEWARK, NJ 07102

KHOV035868

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by:

LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between EVELYN A. SYKES, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 104 CALLAHAN COURT
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22-10

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV035871

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR. | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|---------|---|---------------|----------------------------------|-----------------------------------|---|
| A-X | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 500000
PRODUCTS-COMP/OP AGG. \$ 300000
PERSONAL & ADV. INJURY \$ 300000
EACH OCCURRENCE \$ 300000
FIRE DAMAGE (Any one fire) \$ 5000
MED. EXPENSE (Any one person) \$ 500 |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A | Blanket Building Contents | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: EVELYN A. SYKES, UNMARRIED
LOC: 104 CALLAHAN COURT, NEWARK, NJ 07103 (22E2) LOT: 22.10 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commercial Drive
Granford, NJ 07016

908-272-8100

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|--------------------------|-------------------------------------|--------------------------------------|---|
| | GENERAL LIABILITY
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY
<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR
<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
<input type="checkbox"/> ANY AUTO
<input type="checkbox"/> ALL OWNED AUTOS
<input type="checkbox"/> SCHEDULED AUTOS
<input type="checkbox"/> HIRED AUTOS
<input type="checkbox"/> NON-OWNED AUTOS
<input type="checkbox"/> GARAGE LIABILITY | | | | COMBINED SINGLE
LIMIT \$
BODILY INJURY
(Per person) \$
BODILY INJURY
(Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
<input type="checkbox"/> UMBRELLA FORM
<input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE—POLICY LIMIT \$
DISEASE—EACH EMPLOYEE \$ |
| | OTHER
Blanket Building Contents
Fidelity | BC02900238
BC02900238 | 1/01/94
1/01/94 | 1/01/95
1/01/95 | \$11,475,000.
100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: EVELYN A. SYKES, UNMARRIED

LOC: 104 CALLAHAN COURT, NEWARK, NJ 07103 (22E2) LOT: 22.10' BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
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LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|--------------------------|-------------------------------------|--------------------------------------|---|
| | GENERAL LIABILITY
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY
<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR.
<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
<input type="checkbox"/> ANY AUTO
<input type="checkbox"/> ALL OWNED AUTOS
<input type="checkbox"/> SCHEDULED AUTOS
<input type="checkbox"/> HIRED AUTOS
<input type="checkbox"/> NON-OWNED AUTOS
<input type="checkbox"/> GARAGE LIABILITY | | | | COMBINED SINGLE
LIMIT \$
BODILY INJURY
(Per person) \$
BODILY INJURY
(Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
<input type="checkbox"/> UMBRELLA FORM
<input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| | OTHER
A Blanket Building Contents
A Fidelity | BC02900238
BC02900238 | 1/01/94
1/01/94 | 1/01/95
1/01/95 | \$11,475,000.
100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: EVELYN A. SYKES, UNMARRIED

LOC: 104 CALLAHAN COURT, NEWARK, NJ 07103 (22E2) LOT: 22.10 BLOCK: 406

CERTIFICATE HOLDERK. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

KHOV035886

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNIANIAN NEWARK-URB RENEMAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): EVELYN A SYKES (u) of 220 12TH AVENUE/2ND FLOOR
Tel: Res: (201) 631-8573 NEWARK
Bus: (201) 983-5761 NJ 07107.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.10
BLDG NO: 22 , UNIT NO: E2 , MODEL: 3TH1050-UL UPPER M.L. L

The PURCHASE PRICE : \$ 38,700.00
Consisting of:
BASE PRICE of MODEL \$ 38,700.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 20-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 20-NOV-1993
ADDITIONAL DEPOSIT \$ 161.00 BY DATE 20-DEC-1993
BALANCE at CLOSING \$ 37,539.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 38,700.00

MORTGAGE AMOUNT : \$ 37,500.00 MORTGAGE CONTINGENCY DATE: 19-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON- YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnianian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

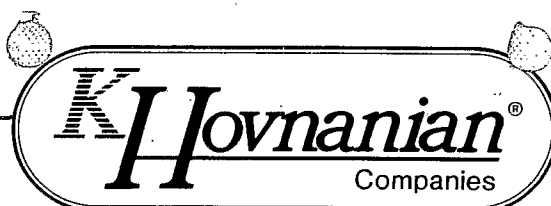
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landaraba, Inc.
Attn: H. Michael McGrawvey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035902



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of November, 1993.

Buyer: Evelyn Sykes

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Evelyn Sykes 11-20-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 11-22-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE

K. Hovnanian

Companies

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Ingram
Lot: 24.21 Block: 406
Address: 110 Callahan Court
NEWARK, NJ 07103

Closing date: 9-30-94

Deed Amount: 97,861.30

Certificate of
Occupancy date: 2-24-94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is: *K. Hovnanian Mortgage, Inc.*

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

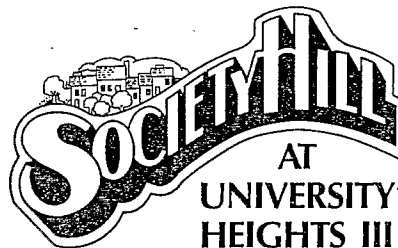
Elaine Ingram

Elaine Ingram

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Nilma Baez

Nilma Baez
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035912

K. Hovnanian Companies

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Ingram
Lot: 24.21 Block: 406
Address: 110 Callahan Court
NEWARK, NJ 07103

Closing date: 9-30-94
Deed Amount: 97,861.30

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is: *K. Hovnanian Mortgage, Inc.*

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Elaine Ingram
Elaine Ingram

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Nilma Baez
Nilma Baez
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035913

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN

CO LTR TYPE OF INSURANCE POLICY NUMBER

GENERAL LIABILITY

A ☒ COMMERCIAL GENERAL LIABILITY EC02900238
CLAIMS MADE ☒ OCCUR.
OWNER'S & CONTRACTOR'S PROT.

AUTOMOBILE LIABILITY

ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY

RED NAMED ABOVE FOR THE POLICY PERIOD
DOCUMENT WITH RESPECT TO WHICH THIS
BED HEREIN IS SUBJECT TO ALL THE TERMS,
CLAIMS.

ON LIMITS

GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 5000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000

COMBINED SINGLE LIMIT \$

BODILY INJURY (Per person) \$

BODILY INJURY (Per accident) \$

PROPERTY DAMAGE \$

EXCESS LIABILITY

UMBRELLA FORM
OTHER THAN UMBRELLA FORM

EACH OCCURRENCE \$
AGGREGATE \$

WORKER'S COMPENSATION

AND

EMPLOYERS' LIABILITY

STATUTORY LIMITS

EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$

OTHER

A Bldg. & Cnts EC02900238
A Fidelity EC02900238

1/01/94 1/01/95 \$11,475,000. ALL RISK
1/01/94 1/01/95 \$100,000.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ELAINE INGRAM, UNMARRIED
LOC: 110 CALLAHAN COURT, NEWARK, NJ 07103 (22F1) LOT: 22.11 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC., THEIR
SUCCESSORS AND/OR ASSIGNS, AS THEIR
INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. C
SUITE L CN3605
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000



Enrollment NJ

843903

Lot _____

Development Society Hill @ UN.
H675

Residential Warranty Corporation
5300 Derry Street, Harrisburg, PA 17111-3598
Phone #: 717-561-4480

LIMITED WARRANTY PROGRAM

INSURER: WESTERN PACIFIC

ANY, A RISK RETENTION GROUP

EXTRA
Set

LIMITED WARRANTY AGREEMENT

CLAIMS PROCEDURES

APPROVED STANDARDS

LIABILITY UNDER THIS LIMITED WARRANTY IS LIMITED TO THE FINAL SALES PRICE LISTED ON THE ENROLLMENT FORM.

THE BUILDER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE ATTACHED SALES CONTRACT OR THE ENROLLED HOME, AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS EXPRESSLY PROVIDED IN THIS LIMITED WARRANTY. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE OF THIS LIMITED WARRANTY.

PLEASE NOTE:

THE MATCHING NUMBERED ENROLLMENT FORM IS AN INTEGRAL PART OF THIS LIMITED WARRANTY.

FHA/HUD Financed Homes — see NJ HUD Addendum pg. 24

KHOV035930



RESIDENTIAL WARRANTY CORPORATION

5300 Derry Street, Harrisburg, PA 17111-3598

717-561-4480 FAX 717-561-4494

Dear Homebuyer:

Congratulations on the purchase of your new home. This is probably the largest, most important single investment you've ever made and we wish you many years of enjoyment. Since you've chosen a quality Builder, a recognized leader in residential construction, your investment is unusually well protected. This booklet explains why and we hope you will take the time to **READ IT CAREFULLY**.

This insurance-backed **limited** warranty affords you protection for ten full years of home ownership. During the first two years, your **limited** warranty stands behind your Builder and protects you in the unlikely event your Builder is unable or unwilling to perform, subject to the conditions and exclusions listed herein. During the next eight years, your **limited** warranty protects your home against any major structural defect which may occur.

This Agreement includes procedures for informal settlement of disputes, including arbitration. Certain defects are covered for periods of one or two years only.

Please note that RWC must receive a written notice of claim within thirty days after the expiration of the applicable limited warranty period. For example, if the defect is one which is covered under the Builder's one-year limited warranty period, notice must be received by RWC within thirty days of the end of the first year, or the notice will not be honored. This notice must contain the following information:

- (1) The enrollment number and effective date of limited warranty;
- (2) The Builder's name and address;
- (3) Your name, address, and phone number (both home and work);
- (4) A specified description of the defect;
- (5) The page and section number of this Agreement containing the applicable limited warranty standard(s); and
- (6) A copy of your written notice to the Builder.

Additional information may be received by calling RWC at 717-561-4480.

Take a minute now to read this booklet in its entirety so that you will be familiar with its coverages and limitations. Your Builder will be able to answer any questions you may have about the **limited** warranty or specific construction standards and how they apply to your home.

Again, congratulations and enjoy your new home!

Very truly yours,

RESIDENTIAL WARRANTY CORPORATION

KHOV035931

LIMITED WARRANTY INSURANCE PROGRAM

INTRODUCTION

Residential Warranty Corporation ("RWC") administers the **limited** warranty program as described in this Agreement. During the first two (2) years of this program, the Builder, as identified on the Home Enrollment Form is the warrantor. The Builder has purchased insurance coverage from Western Pacific Mutual Insurance Company, A Risk Retention Group ("WPIC") to benefit the Purchaser both by acting if the Builder fails to perform its obligations set forth herein and by providing Major Structural Defects insurance coverage, all as described in this Agreement. Section A describes the protection which this program affords to the Purchaser; Section B defines the terms used in this Agreement and sets forth the exclusions from the program; Section C sets forth **limited** warranty standards which will govern the interpretation and operation of the program.

THIS AGREEMENT INCLUDES PROCEDURES FOR INFORMAL SETTLEMENT OF DISPUTES, INCLUDING ARBITRATION. PLEASE NOTE THAT CERTAIN DEFECTS ARE COVERED FOR PERIODS OF ONE OR TWO YEARS ONLY. CLAIMS FOR THESE DEFECTS MUST BE RECEIVED BY RWC, BY CERTIFIED MAIL, WITHIN THIRTY DAYS OF THE EXPIRATION OF THE APPLICABLE COVERAGE PERIOD OR THEY WILL NOT BE HONORED. ADDITIONAL INFORMATION MAY BE RECEIVED BY CALLING RWC AT 717-561-4480. INFORMATION REGARDING THE CLAIMS PROCESS APPROVED BY THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS CAN BE OBTAINED BY CALLING DCA AT 609-530-8785. YOU SHOULD READ THIS AGREEMENT IN ITS ENTIRETY IN ORDER TO UNDERSTAND THE PROTECTION IT PROVIDES, THE EXCLUSIONS APPLICABLE TO IT, AND THE **LIMITED WARRANTY STANDARDS** WHICH WILL GOVERN ITS INTERPRETATION AND OPERATION.

It should be understood by the Purchaser that every newly constructed home needs maintenance and that it is the Purchaser's responsibility, not the Builder's, to maintain the home. Any damage or defect caused or worsened by neglect, abnormal use, or improper maintenance and operation on the part of the Purchaser will not be covered by this Agreement.

SECTION A: THE LIMITED WARRANTY PROGRAM

The Builder is the warrantor during the first two years of this Agreement. Western Pacific Mutual Insurance Company, a Risk Retention Group, ("WPIC"), provides insurance coverage insuring the Builder's performance hereunder during the first two years of this **Limited Warranty** and is the warrantor providing insurance protection against Major Structural Defects, as defined in Section B, during the third through tenth years of this **Limited Warranty**. Residential Warranty Corporation ("RWC") will administer the **limited** warranty program for participating Builders and WPIC. RWC is neither a warrantor nor insurer. The protection provided

under the **limited** warranty program is automatically transferable to subsequent Purchasers during the ten year term of this Agreement.

1. PROTECTION PROVIDED

The **limited** warranty program provides you with the following protection:

(a) YEAR ONE COVERAGE

Commencing on the effective date of **limited** warranty as specified on the Home Enrollment Form, and subject to the terms and conditions listed herein, the Builder warrants that for a period of one year your home will be free from defects due to nonconformity with the **limited** warranty standards set forth in Section C of this Agreement. With respect to fixtures, appliances and items of equipment, the **limited** warranty is for one year or the manufacturer's written warranty, whichever is less.

(b) YEARS ONE AND TWO COVERAGE

Commencing on the effective date of **limited** warranty as specified on the Home Enrollment Form, and subject to the terms and conditions listed herein, the Builder warrants that for a period of two years, your home will have no Major Structural Defects (as defined in Section B of this Agreement) and that certain portions of the home's systems will be free from defects due to nonconformity with the **limited** warranty standards set forth in Section C of this Agreement.

(c) YEARS THREE THROUGH TEN COVERAGE

Commencing at the beginning of the third year following the effective date of **limited** warranty as specified on the Home Enrollment Form, and subject to the terms and conditions listed herein, WPIC will protect your home for a period of eight years against loss resulting from Major Structural Defects (as defined in Section B of this Agreement).

2. CONDOMINIUM COVERAGE - COMMON ELEMENTS

This Agreement shall only be applicable to common elements. Common elements are those portions of a condominium structure which serve two or more residential units, and are contained wholly within the structure. **Limited** warranty coverage for common elements shall be for the same periods and to the same extent as similar or comparable items in individual residential units. Examples of common elements which are covered by the **limited** warranty are hallways, meeting rooms and other spaces wholly within the structure and designated for the use of two or more units; and those portions of the electrical, heating, ventilating, cooling, and plumbing systems which serve two or more units. Examples of common elements which are not covered under this **limited** warranty agreement are club houses, recreational buildings and facilities, exterior structures, or any other non-residential structure which is a portion of the condominium.

KHOV035932

WPIC #317
Rev. 9/20/93

3. BUILDER'S RESPONSIBILITY AND PURCHASER'S RIGHTS: YEARS ONE AND TWO

If a defect in your home arises due to nonconformity with the **limited** warranty standards during the first year of this Agreement, or if a covered defect in your home's cooling, ventilating, electrical, or plumbing systems arises due to nonconformity with the **limited** warranty standards during the first two years of this Agreement, the Builder will repair, replace, or pay you the reasonable cost of repairing or replacing the defective item; if a Major Structural Defect arises in your home during the first two years of this Agreement, the Builder will repair, replace, or pay you the reasonable cost of repairing or replacing the defective item, limited to such actions as are necessary to restore load-bearing capability to the load-bearing components of the home and to repair those elements of the home damaged by the Major Structural Defect.

4. CONDITIONS AFFECTING BUILDER'S RESPONSIBILITY; WPIC'S YEARS 1 AND 2 LIMITED WARRANTY; AND PURCHASER'S RIGHTS

In each instance, the Builder's responsibility and WPIC's years 1 and 2 **limited** warranty coverage are subject to the following:

(a) In the event of a **limited** warranty claim, the decision of whether to repair or replace a defective item, or to pay you the reasonable cost of repair or replacement, is solely the Builder's or WPIC's, as applicable.

(b) The Builder's and WPIC's aggregate total liability is limited to and shall not exceed the sale price listed on the Home Enrollment Form.

(c) If the Builder does not fulfill its obligation under this Agreement, WPIC will be responsible for the Builder's obligations, subject to a one-time deductible of \$250. In the case of the common elements of a condominium, the deductible shall be \$250 per unit affected by the common elements defect, or \$5,000—whichever is less.

(d) Actions taken to cure defects will not extend the periods of coverage specified in this Agreement.

(e) When the Builder finishes repairing or replacing a defective item, or prior to the Builder paying you the reasonable cost of doing so, you must sign and deliver to the Builder a full and unconditional release of all legal obligations with respect to the defect. If WPIC fulfills such obligations of the Builder, you must sign and deliver to WPIC a full and unconditional release of all legal obligations of WPIC with respect to the defect when WPIC finishes repairing or replacing a defective item or prior to WPIC paying you the reasonable cost of doing so.

(f) In the event the Builder or WPIC repairs or replaces, or pays you the reasonable cost of the repair or replacement of any defective item covered by this Agreement, the Builder and WPIC shall be subrogated to all of your rights of recovery therefore against any person or entity (including the Builder if its obligations hereunder have been performed by WPIC), and you agree to execute and deliver any and all instruments and papers and to take any and all other actions necessary to secure

such rights, including, but not limited to, assignment of the proceeds of any other insurance or warranties to the Builder or WPIC, as appropriate. You shall do nothing to prejudice such rights of subrogation.

(g) This Agreement provides coverage only in excess of coverage provided by other warranties or insurance, whether collectible or not.

(h) If a claim under this Agreement involves a common element in a condominium, the claim may be made only by an authorized representative of the condominium association. However, if the Builder retains a voting interest in the association of more than 50%, the claim may be made by unit owners representing 10% of the voting interests in the association.

(i) Notwithstanding anything to the contrary contained in this Agreement, if a claim is resolved by the payment of cash, in lieu of repair or replacement, the payment shall be made to or on behalf of you and any mortgagees (or their successors), as your interests may appear, provided neither the Builder nor WPIC shall have any obligation to make payment jointly to the Purchaser and mortgagee, where the mortgagee has not notified WPIC in writing of its security interest in the home prior to the payment of the claim. A mortgagee shall be completely bound by any agreement, conciliation or arbitration accepted by the Purchaser relating to a claim hereunder.

(j) Where a covered defect is determined to exist and where either the Builder or WPIC elects to pay the reasonable cost of repair or replacement in lieu of effectuating such repair or replacement, the cash offer must be in writing and the Purchaser will be given two (2) weeks to respond unless:

- (i) The cash offer is made pursuant to a binding bid by an independent third party contractor, which will accept an award of a contract from the Purchaser pursuant to such bid;
- (ii) Payment is being made in settlement of legal action; or
- (iii) The Purchaser is represented by legal counsel.

5. WPIC'S RESPONSIBILITY AND PURCHASER'S RIGHTS: YEARS THREE THROUGH TEN

If Major Structural Defect (as defined in Section B of this Agreement) arises in your home during years three through ten of this Agreement, WPIC, at its sole option, will repair or replace, or pay you the reasonable cost of repairing or replacing, the defective item, limited to such actions necessary to restore load-bearing capability to the load-bearing components of the home and to repair those elements of the home damaged by the Major Structural Defect.

6. CONDITIONS AFFECTING WPIC'S RESPONSIBILITY AND PURCHASER'S RIGHTS

In each instance, WPIC's responsibility is subject to the following:

(a) In the event of a **limited** warranty claim, the decision of whether to repair or replace a defective item, or to pay you the reasonable cost of repair or replacement, is WPIC's.

(b) The total liability of WPIC under this Agreement is limited to and shall not exceed the least of the following:

(1) the sale price listed on the Home Enrollment Form;

(2) the reasonable cost of that part of the building damaged for like construction and use on the same premises;

(3) the necessary amount to repair or replace the portion of the building rendered uninhabitable by the Major Structural Defect; less all amounts paid by or on behalf of WPIC under this Agreement.

(c) WPIC's liability in years 3 through 10 under this Agreement is subject to a deductible of \$250 per claim. In each instance, the deductible must be paid by you prior to repair or replacement by WPIC. In the event of payment, the \$250 will be subtracted from the cash payment. In the case of the common elements of a condominium, the deductible shall be \$250 per unit affected by the common element defect, or \$5,000—whichever is less.

(d) Actions taken to cure defects will not extend the periods of coverage specified in this Agreement.

(e) When WPIC finishes repairing or replacing or prior to WPIC paying the reasonable cost of repair or replacement of a Major Structural Defect under this Agreement, you must execute a full and unconditional release of all WPIC's obligations with respect to the Major Structural Defect.

(f) If WPIC repairs or replaces, or pays you the reasonable cost of repair or replacement of any Major Structural Defect, WPIC shall be subrogated to all of your rights of recovery therefore against any person or entity, and you agree to execute and deliver any and all instruments and papers and to take any and all other actions necessary to secure such rights, including, but not limited to, assignment of the proceeds of any other insurance or warranties to WPIC. You shall do nothing to prejudice such rights of subrogation.

(g) This Agreement provides **limited** warranty coverage in excess of coverage provided under other warranties or insurance, whether collectible or not.

(h) If a claim under this Agreement involves a common element in a condominium, the claim may be made only by an authorized representative of the condominium association. However, if the Builder retains a voting interest in the association of more than 50%, the claim may be made by unit owners representing 10% of the voting interests in the association.

If a claim under this Agreement involves a common element affecting multiple units, and all affected units are not warranted by the WPIC Limited Limited Warranty Insurance Program, WPIC's liability shall be limited to only those units warranted by WPIC. WPIC's limit of liability shall be prorated based upon the number of units warranted by WPIC.

(i) Notwithstanding anything to the contrary contained in this Agreement, if WPIC decides to pay the reasonable cost of repairing a Major Structural Defect, the payment shall be made

to or on behalf of you and any mortgagees (or their successors), as your interests may appear, provided neither the Builder nor WPIC shall have any obligation to make payment jointly to the Purchaser and mortgagee, where the mortgagee has not notified WPIC in writing of its security interest in the home prior to such payment. A mortgagee shall be completely bound by any conciliation or arbitration relating to the Major Structural Defect between the Purchaser and WPIC.

(j) Where a covered defect is determined to exist and where either the Builder or WPIC elects to pay the reasonable cost of repair or replacement in lieu of effectuating such repair or replacement, the cash offer must be in writing and the Purchaser will be given two (2) weeks to respond unless:

(i) The cash offer is made pursuant to a binding bid by an independent third party contractor, which will accept an award of a contract from the Purchaser pursuant to such bid;

(ii) Payment is being made in settlement of legal action; or

(iii) The Purchaser is represented by legal counsel.

7. HOW TO MAKE A LIMITED WARRANTY CLAIM; DISPUTE SETTLEMENT

(a) Pursuant to the New Jersey New Home Warranty and Builders Registration Act (P.L. 1977, C. 467) the filing of a claim against this Agreement shall constitute the election of remedy and shall bar the Purchaser from all other remedies. Nothing herein shall be deemed to limit the Purchaser's right to elect other remedies except that such election shall bar the Purchaser from pursuing the same claim under this Agreement and in accordance with the procedures related hereto. Election of other remedies shall mean the filing of a complaint, counterclaim, crossclaim, or third party complaint in any court that alleges matters covered by this Agreement in particular or unworkmanlike construction in general.

(b) Carefully read and review this Agreement and the standards contained herein to determine whether the defect is covered.

(c) NOTICE TO YOUR BUILDER

If you have a complaint which you believe is covered by this Agreement and it arises during the first two years of this Agreement, you should send a clear and specific notice of the complaint to your Builder. If you have a claim covered during years three through ten of this Agreement, see Section A(7)(j).

PLEASE NOTE: Notice to the Builder does not constitute notice to RWC nor will it be deemed to extend applicable coverage periods.

(d) NOTICE TO WPIC; TIME OF NOTICE

If notice to the Builder does not result in satisfaction within a reasonable time, RWC, as agent for WPIC, should then be given written notice of the complaint by certified mail, return receipt requested. **PLEASE NOTE THAT RWC MUST RECEIVE A WRITTEN NOTICE OF CLAIM WITHIN THIRTY DAYS AFTER THE EXPIRATION OF THE APPLICABLE LIMITED WARRANTY PERIOD. FOR EXAMPLE, IF THE DEFECT IS ONE WHICH IS COVERED**

UNDER THE BUILDER'S ONE-YEAR WARRANTY PERIOD, NOTICE MUST BE RECEIVED BY RWC WITHIN THIRTY DAYS OF THE END OF THE FIRST YEAR, OR THE NOTICE WILL NOT BE HONORED. THIS NOTICE MUST CONTAIN THE FOLLOWING INFORMATION:

- (1) The enrollment number and effective date of limited warranty;**
- (2) The Builder's name and address;**
- (3) Your name, address, and phone number (both home and work);**
- (4) A specified description of the defect;**
- (5) The page and section number of this Agreement containing the applicable limited warranty standard(s); and**
- (6) A copy of your written notice to the Builder.**

(e) INSPECTION AND INVESTIGATION REPORT

RWC, as agent for WPIC, will review your complaint and, if necessary, send you a form by which you may request an inspection of the defect. Upon receipt of the form, RWC will cause an investigator, who may be an employee of RWC, to view the defect and to report to both you and your Builder. Upon receipt of the investigator's report, which will be completed within thirty (30) business days after the investigation, RWC will report to you and your Builder. The report will state the Builder's obligations. Upon receipt of this report, you have thirty (30) days to accept the report or file a claim for arbitration. **IF YOU FAIL TO ACT, YOU WILL BE DEEMED TO HAVE DISCONTINUED YOUR CLAIM AND NEITHER THE BUILDER NOR WPIC WILL BE BOUND BY THE DECISION.**

Where a claimed defect is filed that cannot be observed or determined under normal conditions, it is the homeowner's responsibility to substantiate that the condition does exist. Any cost involved shall be paid by the owner, and if properly substantiated, reimbursement shall be made by your Builder or WPIC, whichever is liable for the claim.

(f) ARBITRATION

Arbitration can be initiated at any time and must not necessarily follow the informal dispute settlement process. If you disagree with the investigator's report, you have thirty (30) days to notify RWC, as agent for WPIC, and the Builder, in writing, that you disagree. In such event, disputes shall be submitted for arbitration to the American Arbitration Association (AAA), or such other independent arbitration service as may be designated by WPIC, for resolution in accordance with the rules and regulations of the AAA or such other service. The cost of Arbitration shall be borne by the Builder or WPIC. Such arbitration shall be a condition precedent to the commencement of any litigation arising out of or connected with the rights and obligations created by this Agreement. Upon delivery of an arbitration award ("Award") to the parties, any party may within twenty (20) days request an appeal of the Award. The cost of appeal of the Arbitrator's decision will be determined by the arbitration service and advanced by the party making application for appeal. A request for appeal must be sent, together with the appropriate administrative fee, to RWC, with copies of the request simultaneously being sent to all other parties. Upon

receipt of the request for appeal and the appropriate administrative fee, RWC will forward the application to the AAA, or other service, for administration. The AAA, or other service, will appoint an appellate arbitrator, in accordance with its procedures, to review the matter, and visit the home and view the subject matter of the Purchaser's complaint. Within ten (10) days of receipt of notice of appeal from the AAA, or other service, the other parties must deliver a written reply to the appeal to the AAA, or other service, and simultaneously send it to all other parties. The AAA, or other service, will transmit copies of the appeal and reply to the Appellate Arbitrator. The Appellate Arbitrator shall render a decision regarding the application for appeal within ten (10) days from receipt of application for appeal and reply, if no party wishes a site hearing, or within twenty (20) days after the site hearing. The Appellate Arbitrator may not review any new or different complaints, but may modify or change the Award if he or she finds that the Award exceeds or does not meet the scope of the Agreement or its coverage. The AAA, or other such party, will notify all parties of the decision of the Appellate Arbitrator, which will be final. The Builder and WPIC have agreed to be bound by the final award of arbitration or appellate arbitration, as applicable, in all states. Judgment upon the final award rendered in arbitration may be entered in any court having jurisdiction in those states where such arbitration is binding upon all parties thereto.

(g) ACCEPTANCE OF DECISION

If you accept the arbitration decision, you must sign a copy which will be provided for this purpose and return it to RWC, as agent for WPIC, within thirty (30) days of its date. The Builder will then perform as required by the decision, but neither WPIC nor the Builder will be responsible for damages caused or made worse by your delay in accepting the decision. If the decision places a time period on your Builder's performance, the time allowed will be measured from the date RWC receives your acceptance of the decision. Sixty days will be the standard time for compliance.

(h) RIGHT OF ACCESS

You must provide the Builder, or if applicable, WPIC, with reasonable weekday access during normal business hours in order to perform its obligations under this Agreement. Failure by you to provide such access to the Builder or WPIC may relieve the Builder or WPIC of its obligations under this Agreement.

(i) ADDITIONAL PROTECTION: WPIC

If the Builder does not fulfill its obligations under this Agreement, WPIC will be responsible for the Builder's obligations, subject to a one-time deductible as described in Section A(4) (c).

(j) NOTICE OF MAJOR STRUCTURAL DEFECT CLAIM TO WPIC: TIME OF NOTICE

If you have a claim as a result of a Major Structural Defect occurring during the third through tenth years of this Agreement, you should notify RWC, as agent for WPIC, and RWC will investigate the claim. All such claims must be presented in writing to RWC (not the Builder) by certified mail, return receipt requested, within a reasonable time after the Major

Structural Defect arises but in no event later than thirty days after the expiration of the term of this Agreement. Claims received after this period will not be honored. In the event RWC, as agent for WPIC, disagrees with your claim, the dispute resolution procedures of Sections A(7)(f) and (g) will apply between WPIC and you.

(k) All limited warranty repairs made will be in accordance with the Uniform Construction Code.

8. LEGAL ACTIONS

This Agreement provides a procedure for you to give notice to both the Builder and WPIC of potential claims, to have an inspection at no cost to you, and to give the Builder or WPIC, as appropriate, an opportunity to fulfill their obligations hereunder. If you institute legal proceedings against the Builder or WPIC for any obligation arising or claimed to have arisen under this Agreement prior to giving the Builder or WPIC the proper notices and opportunities to cure provided under this Agreement, you agree to indemnify the Builder and WPIC, as appropriate, for all costs and expenses of such litigation, including reasonable attorneys' fees, regardless of whether you have an otherwise legitimate claim under this Agreement. For purposes of this Agreement, litigation shall include arbitration proceedings. In the event you strictly follow the procedures provided in this Agreement and you commence legal proceedings, alleging that the Builder or WPIC failed to honor their obligations hereunder, the arbitrator or courts shall have the authority to award litigation costs, including reasonable attorneys' fees, to the substantially prevailing party in such litigation. In no event shall WPIC have any obligation to reimburse you if the Builder fails to pay to you litigation costs which may be awarded to you hereunder.

9. ROLE OF RWC

RWC, as administrator of this **Limited Warranty Agreement**, is acting solely as agent for WPIC. RWC is neither a warrantor nor an insurer. In the event you commence any legal action against RWC, in its individual capacity, you agree to reimburse RWC, or any other agent of WPIC, for all of its costs and expenses of litigation, including reasonable attorneys' fees, unless such litigation arises out of an independent wrongful action of RWC.

10. GENERAL TERMS AND CONDITIONS AFFECTING THIS AGREEMENT

The following terms and conditions of general applicability will govern the interpretation and operation of this Agreement:

- (a) The Builder must assign to you all manufacturers' warranties on products included in the sales price of your home.
- (b) This Agreement is separate and apart from and cannot be affected by your contract with the Builder. It cannot be altered or amended in any way by any other agreement which you may have.
- (c) All notices required under this Agreement must be in writing and sent by certified mail, postage prepaid, to the recipient's address shown on the Home Enrollment Form, or to whatever other address the recipient may designate in writing.

(d) Should any provision of this Agreement be determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provisions.

(e) This Agreement is binding on the Builder and the Purchaser, his heirs, executors, administrators, successors and assigns.

(f) This Agreement shall be interpreted and enforced in accordance with the laws of the state in which the home is located.

(g) This Agreement cannot be modified, altered or amended in any way except by a formal written instrument signed by all of the parties hereto.

(h) If performance by the Builder or WPIC of any of their respective obligations under this Agreement is delayed by an event not resulting from their own conduct, such performance will be excused until the delaying effects of the event are remedied. Such events include acts of God or the common enemy, war, riot, civil commotion or sovereign conduct, or acts by persons who are not parties to this Agreement.

(i) Whenever appropriate, it is intended that the use of one gender in this Agreement includes all genders and the use of the singular includes the plural.

SECTION B. DEFINITIONS AND EXCLUSIONS

1. DEFINITIONS

For the purpose of this Agreement, the following terms shall have the meanings set forth herein:

- (a) **Purchaser:** The Purchaser shall include the first Purchaser of the home under this Agreement and any and all successors in title, lessees having a leasehold interest in the home of at least fifty years, and a mortgagee in possession of the home.
- (b) **Builder:** The person, corporation, partnership, or other entity which is a participating member of this **Limited Warranty Program** and which obtained this Agreement for the Purchaser.
- (c) **Effective Date of Limited Warranty:** The date specified on the Home Enrollment Form.
- (d) **Home:** A single family dwelling, a two-or-more unit structure which may be conveyed as a single unit, and the common elements which comprise the building in which a condominium unit is situated and which it shares in common with other units in the building.
- (e) **Major Structural Defects:**
 - (i) The load bearing portion of a home is defined as the framing members and structural elements that transmit both dead and live loads of the home to the supporting ground. Examples of load bearing elements are: roof rafters and trusses; ceiling and floor joists; bearing partitions, supporting beams, columns, basement and foundation walls, and

footings.

(ii) A structural failure will not be considered a defect until it has been established by RWC under the Uniform Construction Code in effect on the date that the Construction Permit under which the new home was constructed was issued as an actual or pending structural failure of some part of the load bearing system as defined in (a) above. To be eligible, such defect does not have to render the home uninhabitable, however, it must be of such a serious nature that it vitally affects the use of the home for residential purposes.

(iii) The following are excluded as major structural defects:

- (1.) Changes by the owner to the established grade lines affecting basement and foundation walls;
- (2.) Movement caused by flood or earthquake;
- (3.) Actual or resultant damage caused by lighting, tornado, unnatural high winds or hurricanes;
- (4.) Damage caused by additions or alterations to the home;
- (5.) Improper loading over and above the design criteria for which that portion of the house was intended;
- (6.) Resultant structural damage due to fire;
- (7.) Changes in the water level which is caused by new development in the immediate area or can be directly traced to an act of nature;
- (8.) Water seepage in basement or crawlspace after the first year of coverage.

(iv) In the case where a major structural defect exists and the home is rendered uninhabitable, the Builder/Warrantor shall be responsible to pay for reasonable shelter expenses of the Owner until the home is made habitable should the condition occur during the first two years of the warranty. WPIC will assume such responsibility during the third through tenth year coverage.

(f) Cooling, Ventilating, and Heating Systems: All ductwork, refrigerant lines, steam and water pipes, registers, convectors, and dampers.

(g) Plumbing Systems: All pipes (supply and waste) and their fittings, including septic tanks and their pipe drain fields, as well as gas supply lines and vent pipes.

(h) Electrical Systems: All wiring, electrical boxes, and connections, up to the public utility connection.

(i) Fixtures, Appliances and Items of Equipment, including Attachments and Appurtenances: Water heaters, pumps, stoves, refrigerators, compactors, garbage disposals, stoves and ranges, dishwashers, washers and dryers, bathtubs, sinks, commodes, faucets and valves, lights and fixtures, switches, outlets, circuit breakers, thermostats, furnaces and oil tanks, humidifiers, oil purifiers, ventilating fans, air conditioning material, in-house sprinkler systems, and similar items.

(j) Administrator: Residential Limited Warranty Corporation.

(k) Insurer: Western Pacific Mutual Insurance Company, A Risk Retention Group.

(l) Warrantor: The Builder in years one and two and the Insurer in years three through ten.

2. EXCLUSIONS

The following are not covered under this Agreement (by the Builder or WPIC):

(a) Failure of the Builder to complete construction of the home or any part of the home on or before the Effective Date. An incompleting item is not considered a defect. The limited warranty period for any item completed after the Effective Date shall be deemed to have commenced on the Effective Date.

(b) Any defect which does not result in actual physical damage or loss.

(c) Consequential damages to personal property.

(d) Personal property damage or bodily injury.

(e) Any claim reported to WPIC after an unreasonable delay or later than thirty days after the expiration of the applicable **limited** warranty period.

(f) Loss or damage caused directly or indirectly by insects, birds, vermin, rodents, or wild or domestic animals.

(g) Any loss or defect which arises while the home is used primarily for nonresidential purposes.

(h) Loss or damage caused by soil movement, including subsidence, expansion or lateral movement of the soil (excluding flood and earthquake) which is covered by any other insurance or for which compensation is granted by legislation.

(i) Normal deterioration or normal wear and tear.

(j) Any deficiencies in or damage caused by material or work supplied by anyone other than the Builder or its employees, agents, or subcontractors, including but not limited to the items listed as additional exclusions on the Final Enrollment Form.

(k) Damages or losses not caused by a defect in construction of the home by the Builder or its employees, agents, or subcontractors, but resulting from accidents, riots, civil commotion, nuclear hazards, acts of God or nature, fire, explosion, blasting, smoke, water escape, windstorms, hail, lightning, falling trees, aircraft, vehicles, flood, mud slides, sinkholes, faults, crevices, earthquake, including land shock waves or tremors before, during or after a volcanic eruption.

(l) Loss or damage resulting from the Purchaser's failure to minimize or prevent such loss or damage in a timely manner.

(m) Loss or damages to or resulting from defects in outbuildings including, but not limited to detached carports (except outbuildings which contain plumbing, electrical heating, cooling or ventilation systems serving the home (a fence, utility line or similar union shall not cause an outbuilding to be considered attached), site located swimming pools and other recreational facilities; driveways; fences; landscaping (including sodding, seeding, shrubs, trees and plantings) french drains; off-site improvements; or any other improvements not a part of the home itself.

(n) Following the first year of this Agreement, loss or damage resulting from concrete floors of basements and attached garages and chimneys which are constructed separate from foundation walls or other structural elements of the home.

(o) Loss or damage to real property which is not part of the home (land is not considered a part of the home) covered by this Agreement and which may or may not be included in the Final Sales Price listed on the Final Enrollment Form.

(p) Loss or damage resulting from, or made worse by, changes in the grading of the property by anyone except the Builder or its employees, agents or subcontractors.

(q) Loss or damage resulting from, or made worse by, modifications or additions to the home made after commencement of the term of this Agreement (other than changes made in order to meet the obligations of this Agreement).

(r) Loss or damage resulting from, or made worse by, dampness, condensation or heat build-up caused by the failure of the Purchaser to maintain proper ventilation.

(s) Any defect, damage or loss which is caused or made worse by failure of the Purchaser to notify the Builder or RWC, as applicable, of any defect within a reasonable period of time.

(t) Any defect, damage, or loss which is caused or made worse by failure by anyone other than the Builder or its agents, employees, or subcontractors to comply with the manufacturers' limited warranty requirements concerning appliances, fixtures or items of equipment.

(u) Loss or damage resulting from, or made worse by, negligent maintenance or operation of the home and its systems by anyone other than the Builder or its employees, agents, or subcontractors.

(v) Following the first year of this Agreement, any deficiencies in fixtures, appliances, and items of equipment whether or not components of the cooling, ventilating, heating, electrical, plumbing or in-house sprinkler systems. During the first year of this Agreement, coverage on fixtures, appliances, and items of equipment (including attachments and appurtenances) is for one year or the manufacturer's written limited warranty period, whichever is less. Damage caused by improper maintenance or operation, negligence, or improper service of such systems by the Purchaser or its agents will not be covered by this Agreement.

(w) Loss or damage resulting from a condition not resulting in actual physical damage to the home, including uninhabitability or health risk due to the presence or consequences of unacceptable levels of radon, formaldehyde, carcinogenic substances, or other pollutants and contaminants; or the presence of hazardous or toxic materials.

(x) Loss or damage caused directly or indirectly by flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains, changes in the water table which were not reasonably foreseeable, or water below the surface of the ground (including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure) wetlands, springs or aquifers.

(y) Violations of applicable building codes or ordinances.

(z) Any loss or damage resulting from the weight and/or performance of any type of waterbed or any other furnishings excessive in weight for which the home was not designed.

SECTION C. LIMITED WARRANTY STANDARDS

1. PURPOSE OF THE STANDARDS

This section establishes the standards by which it will be determined whether your home has a problem which is covered by this Agreement and the obligation of the Builder or WPIC to correct those defects. Where specific standards and obligations are not set forth, the standard shall be the accepted industry practice for workmanship and materials.

2. CONDITIONS APPLICABLE

The applicability of the **limited** warranty standards is conditioned upon the fact that your home is constructed in compliance with the Uniform Construction Code of the State of New Jersey.

3. ADDITIONAL CONDITIONS: PURCHASER'S RESPONSIBILITY

The applicability of these **limited** warranty standards is further conditioned upon the purchaser's proper maintenance of the home to prevent damage due to neglect, abnormal use or improper maintenance.

4. STANDARDS APPLICABLE DURING YEAR ONE ONLY

The structural and mechanical systems standards to be used in determining the adequacy of design, materials and workmanship for the structural components of the home and for the mechanical systems of the home including plumbing, electrical and heating and cooling systems shall be the provisions of the State Uniform Construction Code in effect on the date that the construction permit under which the new home was constructed was issued.

The following performance standards set minimum standards which prescribe the level for quality of materials and performances in workmanship for the construction of new homes. To the extent that detailed minimum performance standards for construction have not been enumerated in these Performance Standards, builders shall construct homes in accordance with good industry practice which assures quality of materials and workmanship. Likewise, the validity of any home buyer's claims for defects for which a standard has not been enumerated here shall be determined on the basis of good industry practice which assures quality of materials and workmanship, and any conciliation or arbitration of such claims shall be conducted accordingly.

The Performance Standards list specific items with each separate area of coverage.

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| (a) SITE WORK | | |
| 1. Grading: Settling of ground around foundation walls, utility trenches or other areas on the property where excavation and back fill have taken place that affect drainage away from the house. | Settling of ground around foundation, walls, utility trenches or other filled areas: which exceeds a maximum of six inches from finished grade established by the Builder/Warrantor. | If Builder/Warrantor has provided final grading, Builder shall fill settled areas affecting proper drainage, one time only, during the first year Warranty period. Builder/Warrantor is then responsible for removal and replacement of shrubs and other landscaping installed by the Builder/Warrantor affected by placement of the fill. |
| 2. Drainage: Improper grades and swales which cause standing water and affects the drainage in the immediate area surrounding the home. | Necessary grades and swales shall be established to provide proper drainage away from the house. Site drainage under this warranty is limited to those immediate grades and swales surrounding the home. Standing or ponding water within the immediate surrounding area of the home shall not remain for a period longer than 24 hours after a rain. Where swales are draining from adjoining properties or where a sump pump discharges, an extended period of 48 hours is to be allowed for the water to dissipate. The possibility of standing water after an unusually heavy rainfall should be anticipated and is not to be considered a deficiency. No grading determination is to be made while there is frost or snow or when the ground is saturated. | Responsible for initially establishing the proper grades, swales and drainage away from the home. The owner is responsible for maintaining such grades and swales once properly established by the Builder/Warrantor to prevent runoffs and erosion of the soil. Standing or ponding water on the property which does not directly affect the immediate area surrounding the foundation of the home, caused by unusual grade conditions, retainage of treed areas, or sodding done by the homeowner is not considered a defect. Soil erosion and runoff caused by failure of the owner to maintain the properly established grades, drainage structures and swales, stabilized soil, sodded, seeded and landscaped areas, are excluded from the Warranty. |
| 3. Grassed or landscaped areas which are disturbed or damaged due to work on the property in correcting a deficiency. | Landscaped areas which are disturbed during repair work is a defect. | Restore grades, seed and landscape to meet original condition. Replacement of trees and large bushes which existed at the time the house was constructed or those added by the owner after occupancy or those which subsequently die are excluded from Warranty Coverage. |

(b) CONCRETE

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| 1. Cast-in place concrete: Basement or foundation wall cracks, other than expan- | Non-structural cracks are not unusual in concrete foundation walls. Cracks one- | Repair non-structural cracks in excess of one-eighth inch by surface patching. These |
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| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
|---|--|--|
| sion or control joints. | eighth inch in width or greater are considered excessive. | repairs should be made toward the end of the first year of ownership to permit normal stabilizing of the home by settling. |
| 2. Cracking of basement floor. | Minor cracks in concrete basement floors are common. Cracks exceeding one quarter inch width or one quarter inch in vertical displacement is a deficiency. | Repair cracks exceeding maximum tolerance by surface patching or other methods, as required. |
| 3. Cracking of attached garage floor slab. | Cracks in a garage floor slabs in excess of one quarter inch in width or one quarter inch in vertical displacement is a deficiency. | Repair excessive cracks by chipping out and surface patching or other methods, as may be required. |
| 4. Cracks in attached patio slab. | Cracks in excess of one quarter inch in width or one quarter inch in vertical displacement are defects. An "attached patio" is defined as a concrete patio slab on grade which is an integral part of the home being structurally supported by footings, block walls, or reinforced concrete and connected to the foundation. Patio slabs which are poured separately, and abut the house are excluded from warranty coverage. | The Builder/Warrantor shall make repairs as required. Where cracks are caused by settlement or improper installation, Builder/Warrantor shall replace that portion which has settled and finish as close as possible to match the existing surface. Where a major portion of the patio has cracked, the entire slab shall be replaced. |
| 5. Cracks in concrete slab-on grade floors, with finish flooring. | Cracks which rupture or significantly impair the appearance or performance of the finish flooring material, is a deficiency. | Determine the cause for the cracking, and correct (remove and replace if required). Repair cracks as required, so as not to be apparent when the finish flooring material is in place. Repair or replace finish flooring. |
| 6. Uneven concrete floor slabs. | Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions or area of unevenness exceeding 1/4 inch in 32 inches, or slopes in excess of 1/240 of room width or length (i.e.: 10.0 wide room-not to exceed 1/2 inch out of level). | Determine cause and repair/replace to meet the Standard. Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary. |
| 7. Pitting, scaling or spalling of concrete work. | Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use. | Take whatever corrective action is necessary to repair or replace defective concrete surfaces. Deterioration caused by salt, chemicals, implements used and other factors beyond Builder/Warrantor control are excluded from the Warranty. |
| 8. Excessive powdering or chalking of concrete surfaces. | Excessive powdering or chalking of concrete surfaces is a deficiency, but should not be confused with normal surface dust that may accumulate for a short period after the home is occupied. | Take whatever corrective action is necessary to treat, repair or resurface defective areas. |
| 9. Separation of brick or masonry edging from concrete slab and step. | It is common for the joint to crack between concrete and masonry due to the dissimilarity of the materials. Cracks in excess of one quarter inch is a deficiency. | Grout crack fully and reset loose masonry where required. Replacement of masonry material, if required, shall match the existing as close as possible. |

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| 10. Separation or movement of concrete slabs within the structure at construction and control joints. | None. Concrete slabs within the structure are designed to move at construction and control joints and is not a deficiency. | None. Homeowner responsibility: Maintenance of joint material. |

(c) MASONRY

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| 1. Unit masonry (brick, block and stone): Cracks in non-bearing or non-supporting walls. | Small shrinkage cracks are not unusual running through masonry and mortar joints. Cracks in excess of one-eighth inch in width is a deficiency. | Repair non-structural shrinkage cracks in excess of 1/8 inch by pointing or patching. Repairs shall be made near the end of the first year warranty period. |
| 2. Cracks in bearing or supporting masonry walls. | Vertical or diagonal cracks which do not affect the structural ability of masonry bearing walls, are not unusual. Cracks in excess of one-eighth in width are a deficiency. | Repair shrinkage cracks in excess of 1/8 inch by pointing or patching. Where the structural integrity of the wall is affected, suitable repair or replacement shall be done to eliminate the condition. |
| 3. Horizontal cracks in basement and foundation walls. | Horizontal cracks in the joints of masonry walls are not common but may occur. Cracks one-eighth inch or more in width are deficiencies. | The Builder/Warrantor shall repair cracks between one eighth and three sixteenths inch in width by pointing and patching. Cracks exceeding three sixteenths inch shall be investigated by the Builder to determine the cause. Builder shall take the necessary steps to remove the cause and make repairs by pointing and patching, reinforcement or replacement of the defective courses. |
| 4. Cracks in masonry walls or veneer above grade. | Small cracks are common in mortar joints of masonry construction. Cracks one eighth inch or greater in width are deficiencies. | Repair cracks and voids in excess of one eighth inch by surface pointing. These repairs should be made toward the end of the first year warranty period to permit the home to stabilize and normal settlement to occur. Builder/Warrantor is not responsible for color variations between existing and new mortar. However, it shall be made to match as close as possible. |
| 5. Cracking, settling, or heaving of stoops and steps. | Stoops and steps are not to settle or heave in excess of one inch in relation to the house structure. Cracks, except hairline cracks less than one eighth inch, are not acceptable in concrete stoops. A separation of up to one half inch is permitted where the stoop or steps abut the house or where an expansion strip has been installed. | Take whatever corrective action is required to meet acceptable standards. In a case where repair is made to the concrete surface, it is required that such repair match the adjoining surfaces as closely as possible or the entire area be resurfaced or replaced. |
| 6. Standing water on stoops, steps, porches and attached concrete patios. | Standing water is a deficiency if it is a hazard to individuals and/or causes damage to the home, or in cases where standing water exists due to settlement or heaving as defined under paragraph above. | Take whatever corrective action is necessary to eliminate standing water. |
| 7. Cracking or spalling of stucco and cement plaster. | Hairline cracks in stucco or cement plaster are common especially if applied directly to masonry back-up. Cracks greater than one eighth inch in width or spalling of the finish surface is a deficiency. | Scrape out cracks and spalled areas. Fill with cement plaster or stucco to match finish and color as close as possible. Builder not responsible for failure to match color or texture, due to nature of the material. |

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| (d) CARPENTRY (ROUGH-IN) | | |
| 1. Floors squeak, due to improper installation or loose subfloors. | A large area of floor squeak which is noticeable, loud and objectionable is a defect. Squeak proof floor cannot be guaranteed, an isolated floor squeak is not a defect. | Correct the problem if caused by faulty construction within reasonable repair capability. Where a finished ceiling exists under the floor, the corrective work may be attempted from the floor side. Where necessary, remove the finish floor material to make the repair and reinstall or replace if damaged. |
| 2. Uneven wood framed floors. | Floors which are more than one quarter inch out of level within any 32 inch measurement is a deficiency. Floor slope within any room which exceeds one-two hundred fortieths of the room width or length is a deficiency (that is, 10'-0" wide room-not to exceed one-half inch out of level.) | Correct or repair to meet the allowances at the above standard. |
| 3. Bowed stud walls or ceilings. | All interior and exterior frame walls or ceilings have slight variations on the finish surfaces. Bowing should not be visible so as to detract from the finished surface. Walls or ceilings should not bow more than one quarter inch within a 32 inch horizontal or vertical measurement. | Exterior and interior frame walls or ceilings bowed in excess of the allowable standard shall be corrected to meet the allowances of the standard. |
| 4. Wood frame walls out of plumb. | Wood frame walls which are out of plumb more than three quarters inch in an eight foot vertical measurement is a deficiency. | Make necessary repairs to meet the allowance standard. |
| 5. Warping, checking or splitting of wood framing. | Minor warping, checking or splitting of wood framing is common as the wood dries out, and is not considered a deficiency. | Where a problem exists and the surface material is affected, builder shall repair, replace or stiffen the frame member as required. |
| 6. Exterior sheathing and subflooring which delaminates or swells. | Sheathing and subflooring when properly installed for its intended use and delaminates or swells on the side a finish material has been applied is a deficiency. | The Builder/Warrantor shall repair or replace subflooring or sheathing as required. Replacement of the finish materials when necessary shall be done to match the existing as closely as possible. |

(e) CARPENTRY (FINISH)

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| 1. Unsatisfactory quality of finished exterior trim and workmanship. | Joints between exterior trim elements, and siding or masonry which are in excess of three-eighths inch is a deficiency. In all cases, the exterior trim abutting masonry and siding shall be capable of performing its function to exclude the elements. | Repair open joints and touch up finish coating where required to match existing as close as possible. Caulk open joints between dissimilar materials. |
| 2. Unsatisfactory quality of finished interior trim and workmanship. | Joints between moldings and adjacent surfaces which exceed 1/8 inch in width is a defect. | Repair defective joints and touch up finish coating where required to match as close as possible. |
| 3. Surface defects in finished woodwork and millwork such as checks, splits, and hammer marks. | Finished woodwork and millwork is to be smooth and without surface marks. Finished surfaces which fall beyond the limits | Correct repairable defects; sanding, filling, or puttying is acceptable to return the surface to its original condition. Replace |

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| | of the Quality Standards of the Architectural Woodwork Institute is a deficiency. | material not repairable, refinish and restore to match surrounding surfaces as closely as possible. |
| 4. Exposed nail heads in woodwork. | Material used to fill nail holes has a tendency to shrink and dry up after a period of time and is not considered a deficiency. Nail holes which have not been filled on finished painted wood work is a deficiency. | Fill nail holes where required and if necessary, touch up paint to match as close as possible. Nail holes do not have to be filled where the surface finish is not conducive or so designed to have nail holes filled because of the product. |

(f) THERMAL AND MOISTURE PROTECTION

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| 1. Waterproofing: Leaks in basement or in foundation/crawlspace. | Leaks resulting in actual trickling of water through the walls or seeping through the floor are deficiencies. Leaks caused by landscaping improperly installed by owner, or failure by owner to maintain proper grades are excluded from the warranty. Dampness in basement and foundation walls or in concrete basement and crawlspace floors is often common to new construction and is not a deficiency. | Take such action as is necessary to correct basement and crawlspace leaks, except where the cause is determined to be the result of owner negligence. Where a sump pit has been installed by the Builder/Warrantor in the affected area but the sump pump was not contracted for or installed by the Builder/Warrantor, no action is required until a properly sized pump is installed by the owner in an attempt to correct the condition. Should the condition continue to exist, then the Builder/Warrantor shall take necessary action to correct the problem. |
| 2. Insulation: Insufficient insulation. | Insulation which is not installed around all habitable areas in accordance with established codes is a deficiency. | The Builder/Warrantor shall install insulation of sufficient thickness and characteristics to meet the codes. In the case of dispute, cost for investigating the sufficiency of insulation and restoring areas to prior condition is to be borne by the homeowner if it is found that the standard has been met by the builder. |
| 3. Louvers and vents: Insufficient attic and crawlspace ventilation. | Attics and crawlspaces which are not properly vented causing moisture to accumulate resulting in damage to supporting members or insulation is a deficiency. | The Builder/Warrantor shall install properly sized louvers or vents to correct deficiency. |
| 4. Leaks due to snow or driven rain through louvers and vents. | Improperly installed louvers and vents that permit penetration of the elements under normal conditions is a deficiency. Properly installed louvers or vents may at times allow penetration of rain or snow under strong wind conditions and is not a deficiency. | Take necessary steps to eliminate penetration of rain or snow under normal conditions if it is determined the installation was improper. |
| 5. Exterior siding: Delamination, splitting, joint separation or deterioration of exterior siding. | Exterior siding with joint separations or which delaminates, splits or deteriorates is a deficiency. | Repair/replace only the damages siding. Siding to match the original as close as possible, however, the owner shall be aware that the new finish may not exactly match the original surface texture or color. |
| 6. Damages siding or broken shingles. | Damaged siding or broken shingles is a deficiency if documented on a pre-closing | The Builder/Warrantor shall replace or repair damaged siding if noted on a pre- |

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| | walk through inspection form. If no walk through report exists the deficiency shall be reported in writing within 30 days of occupancy. | closing walk through inspection form. If Builder/Warrantor does not perform a pre-closing walk through then the Builder/Warrantor will be responsible for the deficiency if reported by the owner. |
| 7. Loose or fallen siding. | All siding which is not installed properly so as not to come loose or fall off is a deficiency. | Reinstall or replace siding and make it secure. |
| 8. Roofing: Roof or flashing leaks. | Roof or flashing leaks that occur under normal weather conditions is a deficiency. Exclusion: Where cause is determined to result from severe weather conditions such as ice and snow build-up, high winds and driven rains. | Correct any roof or flashing leaks which are verified to have occurred under normal weather conditions. |
| 9. Lifted, curled or torn roof shingles. | Roof shingles which lift or curl during the first year of warranty coverage or tear loose during normal weather conditions is a deficiency. | Repair or replace lifted, curled or torn shingles. |
| 10. Standing water on built-up roofs. | A properly pitched built-up roof is to drain water except for minor ponding. Standing or ponding water is not considered a deficiency. Dead flat roofs will retain a certain amount of water. Excessive ponding of water which causes leaking of the built-up roof is a deficiency. | Repair all leaks due to or caused by standing water. |
| 11. Sealants: Water or air Leaks in exterior walls due to inadequate caulking. | Joints and cracks in exterior wall surfaces and around openings which are not properly caulked to exclude the entry of water or excessive drafts is a deficiency. | Repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiency one time during the first year of the warranty period. Owner responsibility: Maintain caulking once the condition is corrected. |
| 12. Sheet metal: Gutters and downspouts leak. | Gutters and downspouts which leak is a deficiency. Gutters which are improperly pitched to drain water is a deficiency. Standing water in gutters is acceptable if it does not exceed one inch in depth. | Repair leaks and pitch gutters to drain properly to meet standard. Owner responsibility: Responsible to keep gutters and downspouts free from leaves and debris to prevent overflow. |

(g) DOORS AND WINDOWS

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| 1. Warpage of interior or exterior doors. | Interior and exterior doors that warp so as to prevent normal closing and fit is a deficiency. The maximum allowable warpage of an interior door is one-quarter inch when measured from top to bottom vertically or diagonally. | Repair or replace as may be required. New doors to be refinished to match the original as close as possible. |
| 2. Door binds against jamb or head of door frame. Does not lock. | Passage doors that do not open and close freely without binding against the door frame is a deficiency. Lock bolt is to fit the keeper to maintain a closed position. | Adjust door and keeper to operate freely. |

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| 3. Door Panels shrink and expose bare wood. | None. Door panels will shrink due to the nature of the material, exposing bare wood at the edges and is not a deficiency. | None. |
| 4. Door panels split. | Door panels that have split to allow light to be visible through the door is a deficiency. | If light is visible, fill crack and finish panel to match as close as possible. Correct one time during first year of warranty. If panel cannot be repaired to hide crack, the panel or the door itself shall be replaced and finished to match original. |
| 5. Bottom of doors rub on carpet surface. | Where it is understood by Builder/Warrantor and Homeowner that carpet is planned to be installed as a floor finish, whether by the Builder/Warrantor or Homeowner, the bottom of the doors which rub or disturb the carpet is a deficiency. Where carpet is selected by the Homeowner having excessive high pile, the Homeowner is responsible for any additional door undercutting. | Undercut doors as required. |
| 6. Excessive opening at the bottom of interior doors. | Passage doors from room to room that have an opening between the bottom of the door and the floor finish material in excess of one and one-half inches is a deficiency. Closet doors having an opening in excess of two inches is a deficiency. | Make necessary adjustment or replace door to meet the required tolerance. |
| 7. Garage doors (attached garage): Garage doors fail to operate or fit properly. | Garage doors that do not operate and fit the door opening within the manufacturer's installation tolerances is a deficiency. Some entrance of the elements can be expected under heavy weather conditions and is not considered a deficiency. | Make necessary adjustments to meet the manufacturer's installation tolerances. No adjustment is required when cause is determined to result from the owner's installation of an electric door opener. |
| 8. Malfunctions of wood, plastic and metal windows: | Windows which do not operate in conformance with manufacturer's design standards is a deficiency. | Consult with manufacturer when necessary and make necessary adjustments for windows to operate and meet the Standard. |
| 9. Double hung windows do not stay in place when open. | Double hung windows are permitted to move within a two inch tolerance, up or down when put in an open position. Any excessive movement exceeding the tolerance is a deficiency. | Adjust sash balances one time only during the first year warranty period. Instruct the owner on the method of adjustment for future repair. |
| 10. Condensation or frost on window frames and glass. | None. Window glass and frames will collect condensation on the frame and glass surface when humidity and temperature differences are present. Condensation is usually the result of temperature/humidity conditions in the home. | None. |
| 11. Hardware does not work properly, fails to lock or perform its intended purpose. | All hardware installed on doors and windows which does not operate properly is a deficiency. | The Builder/Warrantor shall adjust, repair or replace hardware as required. |
| 12. Storm doors and windows do not operate or fit properly. | Storm doors and windows when installed and do not operate or fit properly to provide | The Builder/Warrantor shall make necessary adjustments for proper fit and operation. |

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| | the protection for which they are intended is considered a deficiency. | tion. Replace when adjustment can not be made. |
| 13. Screen panels do not fit properly. Screen mesh is torn or damaged. | Rips or gouges in the screen mesh reported on a pre-closing walk through inspection report or openings between the screen panel and frame are deficiencies. The owner shall be responsible to notify Builder/Warrantor within 30 days from the warranty date or the date on which the screens are furnished if there was no pre-closing walk through inspection. | The Builder/Warrantor shall repair or replace rips and gouges in the screen mesh if reported on the pre-closing walk through inspection. The screen panels shall be adjusted to fit properly in frame one time only during the first year of warranty. If there is no pre-closing walk through inspection the Builder/Warrantor is responsible to repair deficiency when reported by owner. |
| 14. Weatherstripping and seals: Drafts around doors and windows. | Weatherstripping is required on all doors leading directly to the outside from a habitable area. Some infiltration is normally noticeable around doors and windows, especially during high winds. Excessive infiltration resulting from opening in poorly fitted doors or windows, or poorly fitted weatherstripping is a deficiency. | The Builder/Warrantor shall adjust or correct poorly fitted windows or doors, or poorly fitted weatherstripping. |
| 15. Broken glass. | Broken glass is a deficiency if it is reported on a pre-closing walk through inspection report. Owner shall notify the Builder/Warrantor within 30 days from warranty date if no pre-closing walk through inspection report exists. | The Builder/Warrantor shall replace if reported on a pre-closing walk through inspection report. If no report exists, the Builder/Warrantor shall replace if deficiency is reported by owner. |
| 16. Clouding and condensation on inside surfaces of insulated glass. | Insulated glass which clouds up or has condensation on the inside surfaces of the glass is a deficiency. | The Builder/Warrantor shall replace glass in accordance with window and glass manufacturer's requirements. |

(h) FINISHES

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| 1. Cracks in plaster wall and ceiling surfaces. | Noticeable cracks in plaster wall and ceiling surfaces is a deficiency. | The Builder/Warrantor shall repair cracks and touch up paint to match as close as possible, one time only. Such conditions should be reported near the end of the first year warranty date to allow for normal movement in the home. |
| 2. Gypsum wallboard: Defects caused by poor workmanship such as cracks over door and window frames, over archways, blisters in tape, excess compound in joints, exposed corner beads, nail pops, or trowel marks. | Slight defects such as occasional nail pops, seam lines and cracks are common gypsum wallboard installations. Blisters in tape, cracks over door and window frames and over archways, excess compound in joints, trowel marks, nail popping and exposed corner beads are deficiencies. Nail pops are a defect only when there are signs of spackle compound cracking or falling away. Depressions or slight mounds at nail heads are not considered deficiencies. | The Builder/Warrantor shall correct such defects to acceptable tolerance and repaint affected areas one time only to match as close as possible. Where excessive repair has been made the entire area shall be painted. Such conditions shall be reported near the end of the first year warranty date to allow for normal settlement of the home. |
| 3. Hard surface flooring (flagstone, marble, quarry tile, slate, ceramic tile, etc.) cracks or becomes loose. | Ceramic tile, flagstone or similar hard surfaced sanitary flooring which crack or become loose is a defect. Cracking and loosening of flooring caused by the Owner's negligence is not a deficiency. Subfloor | The Builder/Warrantor shall determine and correct the cause for the cracking or loosening of the finish material. Replace cracked material and reset loose flooring. The Builder/Warrantor is not responsible for |

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| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| | and wallboard are required to be structurally sound, rigid and suitable to receive finish. | slight color and pattern variations or discontinued patterns of the manufacturer. It shall not be required to replace the entire finish when the new material consists of less than 25 percent of the finish area. |
| 4. Cracks appear in grouting of ceramic tile joints or at junctions with other material such as a bathtub or shower. | Cracks in grouting of ceramic tile joints are deficiencies. Regrouting of these cracks is a maintenance responsibility of the homeowner within the life of the home after the first year of warranty. Open cracks or loose grouting, where the wall surface abuts the flashing lip at a tub or shower basin, are considered Owner's maintenance and any resultant damage to other finish surfaces due to leaks, etc. are not considered a deficiency. | The Builder/Warrantor shall repair grouting as necessary one time only within the first year of warranty. |
| 5. Nail pops appear on the surface of resilient flooring. | Readily apparent nail pops are a deficiency. | The Builder/Warrantor shall correct nail pops that have caused damage to floor material and repair or replace damaged floor covering in the affected area. Builder/Warrantor is not responsible for discontinued patterns or color variations. |
| 6. Depressions or ridges appear in the resilient flooring due to subfloor irregularities. | Readily apparent depressions or ridges exceeding one eighth inch is a deficiency. The ridge or depression measurement is taken as the gap created at one end of a six-inch straight edge placed over the depression or ridge with three inches on one side of the defect held tightly to the floor. | The Builder/Warrantor shall take required corrective action to bring deficiency within acceptable tolerances so as to be not readily visible. Builder is not responsible for discontinued patterns or color variations in floor covering, owner neglect or abuse, nor installations performed by others. |
| 7. Resilient flooring or base loses adhesion. | Resilient flooring or base that lifts, bubbles, or becomes unglued is a deficiency. | The Builder/Warrantor shall repair or replace resilient flooring or base as required. Builder is not responsible for discontinued patterns or color variation. |
| 8. Seams or shrinkage gaps show at resilient flooring joints. | Gaps in excess of one-eighth inch in width in resilient floor covering joints is a deficiency. Where dissimilar materials abut, a gap in excess of three-sixteenths inch is a deficiency. | Builder/Warrantor shall take required action to correct the cause of the deficiency. The Builder/Warrantor is not responsible for discontinued patterns or color variations of floor covering. |
| 9. Plywood wall covering: Variations in paneling color; scratches or checks on the finished surface. | Plywood paneling pattern and color will often vary and this is not a deficiency. Scratches on the paneling surface are deficiencies if reported on a pre-closing walk through inspection report. The owner shall notify the Builder/Warrantor within 30 days of warranty date if no pre-closing walk through inspection report exists. | The Builder/Warrantor shall repair or replace damaged paneling when the deficiency has been reported on the pre-closing walk through inspection report. Builder is not responsible for discontinued panel or color variations. If damaged paneling cannot be replaced with new paneling to owner's satisfaction, the deficiency may be repaired within reasonable standard of good materials and workmanship. |
| 10. Finished wood flooring: Dents, chips, knotpops, open joints or cracks in wood flooring. | Dents and chips are deficiencies if reported on a pre-closing walk through inspection report. The owner shall report such defi- | The Builder/Warrantor shall determine the cause for deficiencies and correct. Dents and chips are to be corrected if reported on |

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| | ciencies to Builder/Warrantor within 30 days of the warranty date if there was no pre-closing walk through inspection. Dents, chips, knotpops, open joints or cracks in floorboards of finished wood flooring which exceed the manufacturer's quality standards of the wood flooring grade are considered deficiencies. Manufacturer's grade quality standards shall be as defined by: Wood and Synthetic Flooring Institute, National Oak Flooring Association, Maple Flooring Manufacturer's Association. | a pre-closing walk through inspection report. If the inspection was not conducted, then the Builder/Warrantor shall correct if notified by the owner. For repairable deficiency, repair cracks, chips or dents by filling and refinishing to match the wood surface as close as possible. For non-repairable deficiencies replace and finish affected area to match remaining flooring as closely as possible. |
| 11. Painting: Knot and wood stains appear through paint on exterior. | Excessive knot and wood stains which bleed through the paint are considered deficiencies. | The Builder/Warrantor shall seal affected areas where excessive bleeding of knots and stains appear and touch up paint to match. |
| 12. Exterior paint or stain peels, deteriorates or fades. | Exterior paints or stains the peel or deteriorate during the first year of ownership is a deficiency. Fading, however, is normal and subject to the orientation of painted surfaces to the climatic conditions which may prevail in the area. Fading is not a deficiency. | Builder/Warrantor shall properly prepare and refinish affected areas, matching color as closely as possible. Where finish repairs affect the majority of the surface area, the whole area should be refinished. The warranty on the newly repainted surfaces will not extend beyond the original warranty period. |
| 13. Painting required as corollary repair because of other work. | Necessary repair of a painted surface required under this warranty is to be refinished to match surrounding areas as closely as possible. | The Builder/Warrantor shall refinish repaired areas to meet the standard as required. |
| 14. Mildew or fungus forms on painted or factory finished surfaces. | None. Mildew or fungus that forms on a painted or factory finished surface when the structure is subject to various exposures (that is, ocean, lake, riverfront, heavily wooded areas or mountains) is not a deficiency. | None. |
| 15. Deterioration of varnish or lacquer finishes. | Natural finishes on interior woodwork which deteriorate during the first year of ownership is a deficiency. Varnish-type finishes used on the exterior will deteriorate rapidly and are not covered by the warranty. | The Builder/Warrantor shall refinish affected areas of natural finished interior woodwork, matching the color as closely as possible. |
| 16. Interior paint coverage. | Interior paint not applied in a manner sufficient to visually cover wall, ceiling and trim surfaces is a deficiency. | The Builder/Warrantor shall repaint wall, ceiling or trim surfaces where inadequate paint has been applied. Where a large area is affected the entire surface shall be repainted. |
| 17. Paint splatters and smears on finish surfaces. | Paint stains on porous surface which are excessive that detract from the finish and which cannot be removed by normal cleaning methods and are reported on a pre-closing walk through inspection report are considered deficiencies. The owner shall notify the builder within 30 days of the | The Builder/Warrantor shall remove paint stains without affecting the finish of the material, or replace the damaged surface if stain cannot be removed if reported on a pre-closing walk through inspection report. If no such inspection was done, the Builder/Warrantor shall correct if notified by the owner. |

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| | warranty date if a pre-closing walk through inspection report was not completed. Minor paint splatter and smears on impervious surfaces which cannot be easily removed is considered as homeowner maintenance and not a deficiency. | |
| 18. Peeling of wallcovering installed by builder. | Peeling of wallcovering is a deficiency, unless it is due to owner's abuse or negligence. | The Builder/Warrantor shall repair or replace defective wallcovering. |
| 19. Mismatching in wallcovering pattern. | Mismatched wall covering pattern over a large area that severely detracts from its intended purpose due to poor workmanship is a deficiency. | The Builder/Warrantor shall remove mismatched wall covering and replace. Builder/Warrantor is not responsible for discontinued patterns or variations in color. |
| 20. Lumps and ridges and nail pops in wallboard which appear after owner has wallcovering installed by others. | None. Owner shall insure that the surface to receive wallcovering is suitable and assumes full responsibility should lumps, ridges and nail pops occur at a later date. | None. |
| 21. Seams in carpet. | Seams in carpeting that separate due to improper installation is a deficiency. Carpeting material is not covered under the warranty. | The Builder/Warrantor shall correct to eliminate the separation. |
| 22. Carpeting comes loose or excessive stretching occurs. | Wall to wall carpeting that comes loose is a deficiency. Stretching that may occur in the carpeting is subject to the quality and surface over which it is laid and is not a deficiency. | The Builder/Warrantor shall resecure loose carpeting one time during the first year of warranty coverage. |
| 23. Spots on carpet, minor fading. | Spots or stains on the carpeting is a deficiency if reported on a pre-closing walk through inspection report. The owner shall notify the Builder/Warrantor within 30 days from the warranty date if no pre-closing walk through inspection report exists. Fading is not a deficiency; and builder has no responsibility. | The Builder/Warrantor shall remove spots and stains on a one time basis if reported on a pre-closing walk through inspection report. Replace when excessive spots and stains cannot be removed. If no pre-closing inspection report exists, the Builder/Warrantor shall correct when notified by owner. |

(i) SPECIALTIES

1. Fireplaces: Fireplace or chimney does not draw properly causing smoke to enter the house.

A properly designed and constructed fireplace or chimney is to function as intended. It is normal to expect that high winds can cause temporary negative draft situations. Similarly, negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. In addition, the geographic location of the fireplace or its relationship to adjoining walls and roof may be the cause of negative draft conditions. In some cases, it may be necessary to open a window slightly to create an effective draft. Since negative draft conditions could be temporary, it is necessary the owner substantiate the problem to the Builder/Warrantor by construct-

When determined the malfunction is based upon improper construction of the fireplace then take the necessary steps to correct the problem. Where it is determined that the fireplace is properly designed and constructed, but still malfunctions due to natural causes beyond the builder's control, builder is not responsible.

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| | ing a fire so the condition can be observed. | |
| 2. Chimney separation from structure to which it is attached. | Newly built fireplaces will often incur slight amounts of separation. Separation which exceeds one-half inch from the main structure in any 10 foot vertical measurement is a deficiency. | The Builder/Warrantor shall determine the cause of separation and correct. Caulking or grouting is acceptable up to one half inch displacement. |
| 3. Built-in sauna and steam bath units: Refer to the pertinent section of these Standards for deficiencies that may exist in construction, materials, finish and equipment of a steam bath or sauna unit constructed on-site. | Built-in equipment such as sauna and steam bath units are to be constructed and must operate properly under the same applicable standard for finishes and mechanical and electrical equipment involved. Any deficiencies in finish materials or equipment referred to in these standards are considered deficiencies. | The Builder/Warrantor shall make all necessary repairs or replacements including equipment covered under a manufacturer's warranty. |

(j) KITCHEN CABINETS & VANITIES

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| 1. Kitchen or vanity cabinet doors and drawers malfunction. | Cabinet doors, drawers and other operating parts that do not function as designed are deficiencies if they are reported on a pre-closing walk through inspection report. The owner shall notify the Builder/Warrantor within 30 days of the warranty date if a pre-closing walk through inspection was not conducted | The Builder/Warrantor shall repair or replace operating parts if a pre-closing report exists. If no report exists, the Builder/Warrantor shall correct if notified by the owner. |
| 2. Surface cracks, delaminations and chips in high pressure laminates of vanity and kitchen cabinet countertops. | Countertops fabricated with high pressure laminated coverings that delaminate, have chips, scratches, or surface cracks or joints between sheets exceed one sixteenth inch are considered deficiencies if reported on a pre-closing walk through inspection report. The owner shall notify the Builder/Warrantor within 30 days at the warranty date if a pre-closing walk through inspection report does not exist. | The Builder/Warrantor shall repair or replace laminated surface covering having chips, cracks, scratches or joints exceeding the allowable width if reported on a pre-closing inspection report. If a pre-closing inspection report was not performed, the Builder/Warrantor shall correct when notified by the owner. |
| 3. Warping of kitchen and vanity cabinet doors and drawer fronts. | Warpage that exceeds one quarter inch as measured from the face of the cabinet frame to the further most point of warpage on the drawer or door front in a closed position is a deficiency. | The Builder/Warrantor shall correct or replace door or drawer front as required. |
| 4. Gaps between cabinets, ceiling and walls. | Counter top, splash, base and wall cabinets are to be securely mounted. Gaps in excess of one quarter inch between wall and ceiling surfaces is a deficiency. | The Builder/Warrantor shall make necessary adjustment of cabinets and top or close gap by means of moulding suitable to match the cabinet or counter top finish; or other acceptable means. |

(k) MECHANICAL SYSTEMS

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| 1. Plumbing: Plumbing pipes freeze. | Drain, waste and water pipes are to be adequately protected to prevent freezing during normally anticipated cold weather. Freezing of pipes is a deficiency and covered only during the first year of the warranty. | The Builder/Warrantor shall correct the condition responsible for pipes freezing, and repair piping damaged by freezing. The owner is responsible to maintain suitable temperatures in the home to prevent pipes from freezing. Homes which are |
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| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| | | periodically occupied such as summer homes, or where there will be no occupancy for an extended period of time must be properly winterized or periodically checked to insure a reasonable temperature is maintained. Leaks occurring due to owner's neglect and resultant damage are not the builder's responsibility. |
| 2. Faucet or valve leak. | A valve or faucet leak due to material or workmanship is a deficiency. Leakage caused by worn or defective washers or seal are a homeowner maintenance item. | The Builder/Warrantor shall repair or replace the leaking faucet or valve. |
| 3. Defective plumbing fixtures, appliances or trim fittings. | Fixtures, appliances or fittings are to be judged according to the manufacturer's standards as to use and operation. | The Builder/Warrantor shall replace or repair any fixture or fitting which is outside of acceptable standards as defined by the manufacturer. |
| 4. Chipped or damaged plumbing fixtures and appliances. | Chips, cracks, or other such damage to plumbing fixtures and appliances are deficiencies if they are included in a pre-closing walk through inspection report. The owner shall notify Builder/Warrantor within 30 days of warranty date if no pre-closing walk through inspection was performed. | The Builder/Warrantor shall repair any chips or cracks if included in the pre-closing inspection report. If repair cannot be made, the fixture or appliance is to be replaced to match the original. If a pre-closing inspection was not performed, the Builder/Warrantor shall correct if notified by owner. Where a fixture is built into surrounding wall areas such as a tub or shower basin which requires repair, replacement is not covered under the warranty except where the deficiency causes the fixture to be unusable. |
| 5. Staining of plumbing fixtures due to high iron content in water. | High iron content in the water supply system will cause staining of plumbing fixtures. | None. Maintenance and treatment of the water is the homeowner's responsibility. |
| 6. Drinking water supply is not potable. | All water must be free from contamination that would affect its potability. Potable water is defined as water fit for human consumption. In many cases, well water tests will show contamination that exceeds the recommended amounts permitted under applicable Federal and State standards, however, it still may be considered potable. In order to make this determination, the owner must provide written documentation from a independent testing laboratory or a board of health providing such service stating that the water is unfit for human consumption. Water test reports furnished by a commercial water treatment company cannot be used to make such a determination. Water is considered potable when a certificate of compliance is issued by the local/county board of health. Any recommendation for treatment of the water by the local/county board of health is contractual between owner and builder and cannot be considered a deficiency. | The Builder/Warrantor shall supply potable drinking water. Water which becomes non-potable after certification by a source beyond the control of the builder shall be excluded from coverage. |

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| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| 7. Water supply system fails to deliver water; or pressure is low. Low water pressure is defined as follows: Use of the cold water supply at any one single fixture drastically reduces the cold water supply at any one other single fixture. | All service connections to municipal water main or private water supply are the Builder/Warrantor's responsibility when installed by him. | The Builder/Warrantor shall repair as required, if failure to supply water is the result of deficiency in workmanship or materials. If conditions exist which disrupt or eliminate the sources of water supply that are beyond his control, then the builder is not responsible. |
| 8. Noisy water pipes. | Some noise can be expected from the water pipe system, due to the flow of water. Water hammer in the supply system is a deficiency and is covered only during the first year of the warranty. Noises due to water flow and pipe expansion are not considered deficiencies. | The Builder/Warrantor shall correct to eliminate "water hammer". |
| 9. Inadequate heat. | A heating system shall be capable of producing an inside temperature of 70 degrees Fahrenheit as measured in the center of the room at a height of five feet above the floor, under local outdoor winter design conditions as specified in the latest edition of the New Jersey U.C.C. Energy Subcode and ASHRAE Handbook in effect at the time the home was constructed. The outdoor design temperature established by ASHRAE varies geographically throughout the State of New Jersey. There may be periods when the outdoor temperature falls below the design temperature, thereby lowering the temperature in the home. Orientation of the home and location of rooms will also provide a temperature differential, especially when the heating system is controlled by a single thermostat for one or more floor levels. | The Builder/Warrantor shall correct heating system as required to provide the required temperatures. Balance dampers, registers and make minor adjustments one time only, during the first year of the warranty. |
| 10. Inadequate cooling. | Where air conditioning is provided, the cooling system is to be capable of maintaining a temperature of 78 degrees Fahrenheit as measured in the center of each room at height of five feet above the floor, under local outdoor summer design conditions as specified in the latest edition of the New Jersey U.C.C. Energy Subcode and ASHRAE Handbook in effect at the time the home was constructed. The cooling cycle outdoor design temperature established by ASHRAE provides for a maximum of 12 degree temperature differential between the outdoor and the indoor temperature. There may be periods when the outdoor rises above the design temperature, thereby raising the temperature in the home. Orientation of the home and location of rooms will also provide a temperature differential, especially when the air conditioning system is controlled by a single thermostat for one or more floor levels. | Builder/Warrantor shall correct cooling system to meet the above temperature requirements during the first year of the warranty. |

| Possible Deficiency | Performance Standard | Builder/Warrantor Responsibility |
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| 11. Ductwork and heating piping not insulated in uninsulated areas. | Ductwork and heating pipes that are run in uninsulated crawlspaces, garages or attics are to be insulated. Basements are not "uninsulated areas", and no insulation is required. | The Builder/Warrantor shall install required insulation. |
| 12. Condensate lines clog-up. | Condensate lines will clog under normal conditions. | The Builder/Warrantor shall provide clean and unobstructed lines on warranty date. Continued operation of drain line is homeowner maintenance item. |
| 13. Improper mechanical operation of evaporative cooling system. | Equipment that does not function properly at temperature standard set is a deficiency. | The Builder/Warrantor shall correct and adjust so that blower and water system operate as designed. |
| 14. Ductwork noisy. | Noise in ductwork may occur for a brief period when the heating or cooling begins to function and is not considered a deficiency. Continued noise in the ductwork during its normal operation is a deficiency. | The Builder/Warrantor shall take necessary steps to eliminate noise in the ductwork. |
| 15. Ductwork separates, becomes unattached. | Ductwork that is not intact or securely fastened is a deficiency. | The Builder/Warrantor shall reattach and resecure all separated or unattached ductwork. |

(I) ELECTRICAL SYSTEMS

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| 1. Electrical conductors: Failure of wiring to carry its designed circuit load to switches and receptacles. | Wiring that is not capable of carrying the designed load, for normal residential use to switches and receptacles and equipment is a deficiency. | The Builder/Warrantor shall check wiring and replace wiring if it fails to carry the design load. |
| 2. Switches and receptacles: Fuses blow, or circuit breakers kick out. | Fuses and circuit breakers which deactivate under normal usage, when reset or replaced is a deficiency. | The Builder/Warrantor shall check wiring and replace wiring or breaker if it does not perform adequately or is defective. |
| 3. Drafts from Electrical outlets. | The electrical junction box on exterior walls may produce a slight air flow whereby the cold air can be drawn through the outlet into a room. This problem is normal in new home construction. | None. |
| 4. Malfunction of electrical outlets, switches or fixtures. | All switches, fixtures and outlets which do not operate as intended are considered deficiencies. | The Builder/Warrantor shall repair or replace defective switches, fixtures and outlets. |
| 5. Service and distribution: Ground fault interrupter trips frequently. | Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These devices are sensitive and can be tripped very easily. Ground fault interrupters are required on outlets located in the kitchen, bath and powder rooms along with all exterior outlets. Ground fault outlets which do not operate as intended are considered deficiencies. | The Builder/Warrantor shall replace the device if defective. |

5. STANDARDS APPLICABLE DURING YEARS 1 AND 2

1. Septic tank systems: Septic system fails to operate properly.

Septic system is to be capable of properly handling normal flow of household effluent. It is, however, possible that due to freezing, soil saturation, changes in the groundwater table or excessive use of plumbing or appliances, an overflow can occur. Periodic pumping of the septic tank is considered homeowner maintenance, and a normal need for pumping is not a deficiency.

The Builder/Warrantor shall take corrective action as required, if it is determined that malfunction is due to improper design or construction. Builder is not responsible for malfunctions which occur through owner negligence or abuse. Builder is also not responsible for malfunctions which occur due to acts of nature such as freezing and changes in the ground water table.

Exclusion: The following are considered owner negligence or abuse as an exclusion under the warranty:

- (A) Excessive use of water such as overuse of washing machine and dishwasher; including their simultaneous use.
- (B) Connection of sump pump, roof drains or backwash from water conditioner, to the system.
- (C) Placing of non-biodegradable items in the system.
- (D) Addition of any harsh chemicals, greases or cleaning agents; and excessive amounts of bleaches or drain cleaners.
- (E) Use of a food waste disposer not supplied by builder.
- (F) Placement of impervious surfaces over the disposal area.
- (G) Allowing vehicles to drive or park over the disposal area.
- (H) Failure to periodically pump out the septic tank, when required.

2. Leakage from any piping.

Leaks in any sanitary soil, waste vent and water piping are deficiencies and are covered during the first and second year of the warranty. Condensation on piping does not constitute leakage, and is not a deficiency, except where pipe insulation is required.

The Builder/Warrantor shall make necessary repairs to eliminate leakage.

3. Stopped up sanitary sewers, fixtures and sanitary drains are deficiencies.

Sanitary sewer, fixtures and sanitary drains should operate and drain properly and are covered during the first and second year of the warranty.

Where defective construction is shown to be the cause, the builder shall make necessary repairs. Sewers, fixtures, and drains which are clogged through the owner's negligence, the owner shall assume repair costs. Builder responsibility for defective sewer lines extends to the property line on which the home is constructed.

4. Refrigerant lines leak.

Refrigerant lines that develop leaks during normal operation are deficiencies during the first year and second year of the warranty.

The Builder/Warrantor shall repair leaking lines and recharge unit as required.

SECTION D: ADDENDUMS

D.1 HUD/VA ADDENDUM (Applicable to FHA Financed Homes Only): February 1, 1992

1. **SECTION A(1)(a): Year One Coverage.** The following language is added: Notwithstanding anything to the contrary herein contained, during the first year of coverage, the Builder will correct problems with, or restore the reliable function of, appliances and equipment damaged during installation or improperly installed by the Builder. In addition, the Builder will correct Construction Deficiencies in workmanship and materials resulting from the failure of the Home to comply with standards of quality as measured by acceptable trade practices. "Construction Deficiencies" are defects (not of a structural nature) in the Home that are attributable to poor workmanship or to the use of inferior materials which result in the impaired functioning of the Home or some part thereof. Defects resulting from Purchaser abuse or from normal wear and tear are not considered Construction Deficiencies.
2. **SECTION A(4)(j):** The following language is substituted: Where a covered defect is determined to exist and where either the Builder or WPIC elects to pay the reasonable cost of repair or replacement in lieu of effectuating such repair or replacement, the cash offer must be in writing and the Purchaser will be given two (2) weeks to respond. Cash offers over \$5,000 are subject to an on-site review by a HUD approved fee inspector (inspection costs to be paid by the builder or WPIC, as appropriate) unless:
 - (i) The cash offer is made pursuant to a binding bid by an independent third party contractor, which will accept an award of a contract from the Purchaser pursuant to such bid;
 - (ii) Payment is being made in settlement of legal action; or
 - (iii) The Purchaser is represented by legal counsel.
3. **SECTION A(6)(c):** The following language is substituted: WPIC's liability in years 3 through 10 under this Agreement is subject to a deductible of \$250 per claim. In each instance, the deductible must be paid by you prior to the repair or replacement by WPIC. In the event of payment, the \$250 will be subtracted from the cash payment. In the case of the common elements of a condominium, the deductible shall be \$250 per home affected by the common element defect, limited to a maximum of \$5,000.
4. **SECTION A(6)(j):** The following language is substituted: Where a covered defect is determined to exist and where either the Builder or WPIC elects to pay the reasonable cost of repair or replacement in lieu of effectuating such repair or replacement, the cash offer must be in writing and the Purchaser will be given two (2) weeks to respond. Cash offers over \$5,000 are subject to an on-site review by a HUD approved fee inspector (inspection costs to be paid by the builder or WPIC, as appropriate) unless:
 - (i) The cash offer is made pursuant to a binding bid by an independent third party contractor, which will accept an award of a contract from the Purchaser pursuant to such bid;
 - (ii) Payment is being made in settlement of legal action; or
 - (iii) The Purchaser is represented by legal counsel.
5. The following language is substituted: **SECTION B(1)(c): Effective Date.** The Effective Date will be the date on which closing or settlement occurs in connection with the initial sale of the Home. In no event will the Effective Date be later than the date of FHA endorsement or the Purchaser's Mortgage on the Home.
6. **SECTION B(2)(h):** The following language is substituted: Loss or damage caused by soil movement, including subsidence, expansion or lateral movement of the soil (excluding flood and earthquake) which is covered by any other insurance or for which compensation is granted by state legislation.

7. The following language is added: **SECTION C(5)(67):**

| Potential Problems | Comments | Builder's Obligation |
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| Septic System fails | Freezing, soil saturation, underground springs, water run off, excessive use and increase in the water table are among the causes not covered by this limited warranty | Builder will repair or replace faulty workmanship and materials and conform with the Sewage Enforcement Officer's instructions as per design and installation only. |

**New Jersey Addendum to Residential Warranty Corporation
Limited Warranty Insurance Program book #317 (rev 9/20/93)**

THIS ADDENDUM IS APPLICABLE ON HOMES WITH A WARRANTY EFFECTIVE DATE OF APRIL 20, 1994 OR LATER.

The following is added to A.4(j): When the Purchaser disputes the amount of a cash settlement offer for a covered defect, made by the Builder or WPIC, based upon an estimate obtained by the Builder or WPIC and refuted by an estimate obtained in writing by the Purchaser, the dispute will be submitted to Arbitration. The cost for this Arbitration will be borne by the Builder or WPIC as applicable.

The following is added to A.6(j): When the Purchaser disputes the amount of a cash settlement offer for a covered defect, made by the Builder or WPIC, based upon an estimate obtained by the Builder or WPIC and refuted by an estimate obtained in writing by the Purchaser; the dispute will be submitted to Arbitration. The cost for this Arbitration will be borne by the Builder or WPIC as applicable.

The following is added as A.7(f)(1): Proposed repairs prepared by the Builder or WPIC to satisfy an Arbitration Award will be presented to the Purchaser. When the Purchaser disagrees with the proposed repairs based upon competent analysis of the warranty standards by the Purchaser's engineer, architect, registered builder or contractor, the elements of disagreement will be submitted to Arbitration.

The following replaces A.4(c): If the Builder does not fulfill its obligation under this Agreement, WPIC will be responsible for the Builder's obligations.

The following replaces A.6(c): WPIC's liability in years 3 through 10 under this Agreement is subject to an aggregate deductible of \$250. In each instance, the deductible must be paid by you prior to repair or replacement by WPIC. In the event of payment, the \$250 will be subtracted from the cash payment. In the case of the common elements of a condominium, the aggregate deductible shall be \$250 per unit affected by the common element defect.

KHOV035956

RESIDENTIAL WARRANTY CORPORATION

KH0V035957

THIS INDENTURE
(Site C and E)

Dated SEPTEMBER 30, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ELAINE INGRAM, UNMARRIED

the GRANTEE

about to reside at 110 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of NINETY SEVEN THOUSAND EIGHT HUNDRED AND SIXTY ONE AND 30/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. F1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.


The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

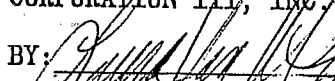
Being also known as Lot No. 22.11, in Block No. 406, on the tax map of the City of Newark.

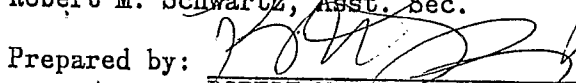
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 
LAURA VANVELTHOVEN,
Sales Manager

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

KHOV035960

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On SEPTEMBER 30, 1994, Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by LAURA VANVELTHOVEN, Sales Manager of the GRANTOR.

Sales Manager of the GRANTOR; he signed this Deed to attest to the signing of the Deed by LAURA VANVELTHOVEN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 97,861.30 .

Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

DONNA O'BOYLE

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Sept. 3, 1997.

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact, for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand, this 30TH day of SEPTEMBER, 1994 .

GRANTEE : ELAINE INGRAM

GRANTEE

State of New Jersey) ss:
County of ESSEX)

Be it remembered, that on this 30TH day of SEPTEMBER, 1994, before me, the subscriber _____, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
ELAINE INGRAM

CHARGE, RECORD AND RETURN TO

J. EDWARD WALLER, ESQUIRE

1001-1013 SPRINGFIELD AVENUE, SUITE 215

IRVINGTON, NJ 07111

KHOV035961

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

Robert Sherman & Associates
11 Commerce Drive
Frankford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

Gen. Liability & Automobile

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill & University Hts. J11
c/o Eastern Community Mgmt
200 Highway 10
Frankford, NJ 07016

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|--------------------------|-------------------------------------|--------------------------------------|--|
| | GENERAL LIABILITY
<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY
<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR.
<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | 0002900001 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 500,000
PRODUCTS-COMP/OP AGG. \$ 500,000
PERSONAL & ADV. INJURY \$ 500,000
EACH OCCURRENCE \$ 500,000
FIRE DAMAGE (Any one fire) \$ 500,000
MED. EXPENSE (Any one person) \$ 500,000 |
| | AUTOMOBILE LIABILITY
<input type="checkbox"/> ANY AUTO
<input type="checkbox"/> ALL OWNED AUTOS
<input type="checkbox"/> SCHEDULED AUTOS
<input type="checkbox"/> HIRED AUTOS
<input type="checkbox"/> NON-OWNED AUTOS
<input type="checkbox"/> GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
<input type="checkbox"/> UMBRELLA FORM
<input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE—POLICY LIMIT \$
DISEASE—EACH EMPLOYEE \$ |
| | OTHER
A First Fidelity Life
A Signature | 0002900001
0002900002 | 1/01/94
1/01/94 | 1/01/95
1/01/95 | \$11,475,000, All Fidelity
\$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

ELAINE INGRAM, UNMARRIED
110 CALLAHAN COURT, NEWARK, NJ 07103 (22F1) LOT: 22.11 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC., THEIR
SUCCESSORS AND/OR ASSIGNS, AS THEIR
INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. C
SUITE L CN3605
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

KH0V035969

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: F1

The Purchase Agreement Between Elaine M Ingram, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 8/9/91.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,416.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 98,416.30
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 96,500.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,861.30.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

8/9/91

BUYER

x Elaine M Ingram

BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV035975

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Elaine M. Ingram

_____, BUYER

UNIT Ft, BUILDING 32, PURCHASE AGREEMENT DATE 8/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH K. HOVNIANIAN MORTGAGE, INC.; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Elaine M. Ingram 8/9/94
BUYER DATE

BUYER DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV035976

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN GENEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): ELAINE M INGRAM (u) of 15 WOLF PLACE
Tel: Res: (201) 373-4179 IRVINGTON
Bus: (212) 264-5480 NJ 07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 22.11
BLDG NO.: 22 UNIT NO: F1 MODEL: STH1150-G LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-AUG-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-AUG-1994
ADDITIONAL DEPOSIT \$ 1,908.50 BY DATE 08-SEP-1994
BALANCE at CLOSING \$ 94,041.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 96,950.00

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 08-OCT-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

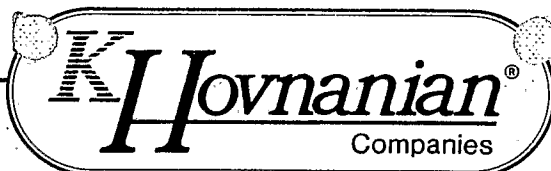
K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(BUYER) Elaine Ingram 8/6/94
DATE
(BUYER) _____ DATE
(BUYER) _____ DATE
(BUYER) _____ DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV035977



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.
- If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.
15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.
16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.
17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.
18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.
19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

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The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

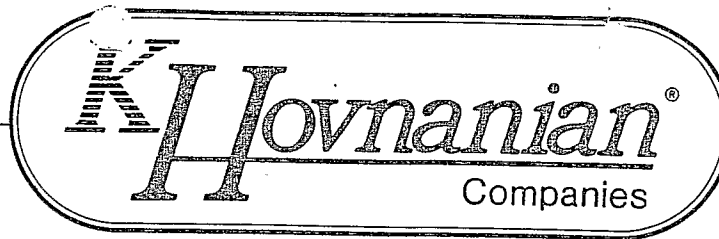
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If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: WATSON
Lot: 22.14 Block: 406
Address: 112 CALLAHAN COURT
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$111,538.31

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

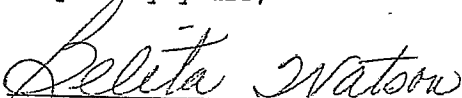
The bank who holds our mortgage is:

Our Mortgage Account No.:


Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


BELITA WATSON

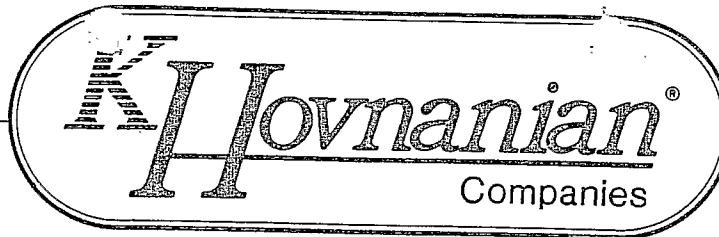
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035988



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
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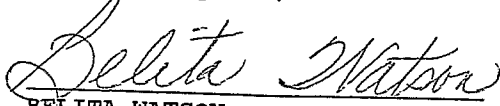
The bank who holds our mortgage is:

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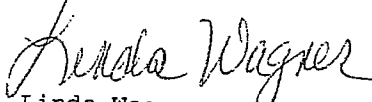
Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


BELITA WATSON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV035989

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Belita Watson

_____, BUYER

UNIT G2, BUILDING 22, PURCHASE AGREEMENT DATE 08 Nov - 1993

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO
MAKE APPLICATION FOR MORTGAGE WITH K. HOVNANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K.
HOVNANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSSES ON THE SAID
MORTGAGE AND CLOSSES TITLE TO THE PREMISES (AS DEFINED IN THE
PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE
CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO
AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED
TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT
OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE,
THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS
THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE
DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE
INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN
WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE
OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE
INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE
DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER
WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE
UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER
COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN
AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS
(\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE
AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Belita Watson
BUYER

12/9/93
DATE

THIS AMENDMENT WILL
SUPERSEDE AND TERMINATE
THE PREVIOUS ADDENDUM DATED

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: Wayne Soojian

WAYNE SOOJIAN
DIRECTOR OF SALES AND MARKETING

KHOV036010

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: 62

The Purchase Agreement between Belita Watson BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 08-NOV-1993.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 111,538.31
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3346.15
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 108,192.16
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 111,538.31.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

12/7/93

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soorian
WAYNE SOORIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036011

SUMMARY OF BASIC PROVISIONS

IC115

The SELLER: K. HOVNANIAN GENEALOGY-URB RENOVATION CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): BELITA WATSON (4)
Tel: Res: (201) 923-2380 of 95 SCHUYLER AVE.
Blk: (201) 268-3741 NEWARK
NJ , 07112.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III INC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.14
BLDG NO: 22 , UNIT NO: G2 , MODEL: STH1330-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 08-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-NOV-1993
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-DEC-1993
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian & Newark -
Urban Renewal Corporation III, Inc.

X Belita Watson 12/18/93
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

(SELLER) 12-23-93
DATE

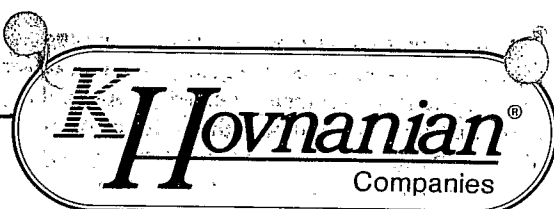
Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

THIS CONTRACT WILL SUPERCEDE AND TERMINATE THE PREVIOUS ONE FOR BLDG 22-G2 DATED NOV-08-1993.

X BW

KHOV036019



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 18 day of Dec, 1993.

Buyer:

Belita Watson

Buyer:

Joseph J. Hanley

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Belita Watson
BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10. HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE

12-23-93

KHOV036023

ZZZ

K. ROMANIAN CEMENT-AND RENEWAL CORP III

D.S.No : IW-22-02

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E&C

Printed: 07-DEC-1993

BLDG NO: 22 UNIT: 62
MODEL : SH1330-U >UP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : WATSON
CONTRACT DATE: 08-nov-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|---------------------------------|----------------------|------------|----------|-----------------|------------|
| 01---APPLIANCES--- | | | | | | |
| ADK01 | DISHWASHER | 1ST LEVEL 3 CYCLE | 650590 | ALMOND | ALMOND | 340.00 <H |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JH322 | ALMOND | ALMOND | 0.00 <H |
| AKS00 | RANGE | STANDARD RANGE | JGRC150E | ALMOND | ALMOND | 0.00 <H |
| 02---CABINETS--- | | | | | | |
| KCS00 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 <H |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 1743-1 | ROSE POMPEII | 0.00 <H |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR CARPETING | ANNIHILATOR | 27 | 61.67 SY | 3286 SHAKER RED | FCC0101A01 |
| Zone: 02 | 1ST FLOOR STAIR/HALL CARPETING | ANNIHILATOR | 27 | 85.67 SY | 3286 SHAKER RED | FCC0102A01 |
| Zone: 03 | KITCHEN/ENTRY LINOLEUM FLOORING | CAMBRAY | | 17.67 SY | 68441 | FLC0103A00 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| KFS01 | FLOORING PACKAGES | STANDARD LAYOUT | | | | 1248.31 <H |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| NBS01 | BIFOLD DOORS | DR, LEFT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 <H |
| NBS02 | BIFOLD DOORS | DR, RIGHT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 <H |
| NSS01 | SLIDER DOORS | MSTR BR STD SLIDER | STD SLIDER | 3'0" | | 0.00 <H |
| NSS02 | SLIDER DOORS | BR #2 STD SLIDER | STD SLIDER | 4'0" | | 0.00 <H |
| NSS03 | SLIDER DOORS | BR #3 STD SLIDER | STD SLIDER | 4'0" | | 0.00 <H |

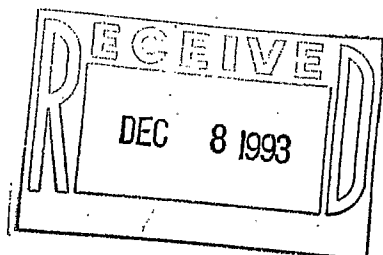
Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *Walter*
PURCHASER: *Walter*
DATE: 12-7-93

GRAND TOTAL \$ 1588.31
Incl. Mortg. Sel \$ 1588.31

SALES REP: *Walter*
SALES MGR: *Walter* 12-8-93
CONST. MGR: 12-16-93

AMOUNT DUE NOW \$ 47.65
AMOUNT PAID NOW \$ 47.65 "CK"
AMOUNT DUE AT CLOS \$ 1540.66



KHOV036024

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): BELITA WATSON (W) of 95 SCHUYLER AVE.
Tel: Res: (201) 923-2380 NEWARK
Bus: (201) 268-3741 NJ 07112.

WALTER JR WATSON (W) of 5 JENNIFER LANE
Tel: Res: (201) 761-1803 MAPLEWOOD
Bus: (201) 733-6070 NJ 07040.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EEC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.14
BLDG NO.: 22 , UNIT NO: G2 , MODEL: ETH1330-0 UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 08-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 08-NOV-1993
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-DEC-1993
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$107,000.00 MORTGAGE CONTINGENCY DATE: 07-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban/Renewal Corporation III, Inc.

(SELLER)

11.11.93
DATE

(BUYER)

(BUYER)

(BUYER)

(BUYER)

DATE

DATE

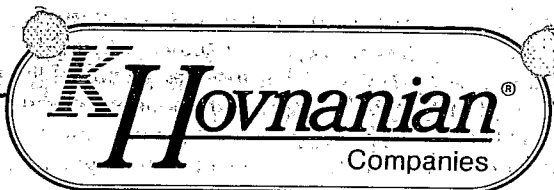
DATE

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036025



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. HOVnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price, in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 8 day of Nov, 1993.

Buyer: X Belita Watson

Buyer: X Willis Watson

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Belita Watson 11/8/93
BUYER DATE

X Willis Watson 11-8-93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Wayne Soorian

WAYNE SOORIAN,
DIRECTOR OF MARKETING AND SALES

11-11-93
DATE

KHOV036029

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND BELITA WATSON, UNMARRIED

the GRANTEE

about to reside at 112 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$111,538.31

ONE HUNDRED ELEVEN THOUSAND FIVE HUNDRED THIRTY EIGHT AND .31/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. G2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 18, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 18, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.14, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

WAYNE J. SOQTIAN,
Sales & Marketing Director

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

KHOV036034

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 111,538.31.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

Robert M. Schwartz, Asst. Secy.

Alison Rabon

ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1998

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28 day of FEBRUARY 1994

GRANTEE BELITA WATSON

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28 day of FEBRUARY, 1994, before me, the subscriber BELITA WATSON, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
BELITA WATSON

CHARGE, RECORD AND RETURN TO

MARK O. SEYMOUR, ESQUIRE
331 MAIN STREET
P.O. BOX 451
CHATHAM, N.J. 07928

KHOV036035

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Yecker Sharkey & MacLean
21 Commerce Drive
Cranford, NJ 07016

508-272-6100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E**

INSURED Soc. Hill @ University Hts. III
111 Eastern Community Hqst
225 Highway 30
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|------------|--|---------------|-------------------------------------|--------------------------------------|---|
| A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE OCCUR.
OWNER'S & CONTRACTOR'S PROT. | 5002900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 5000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A OTHER | BLDG. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A Fidelity | | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LGC: BELITA WATSON, UNMARRIED
112 CALLAHAN COURT, NEWARK, NJ 07103 (22G2) LOT: 22.14 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010006000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
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LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|------------------------------|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | CLAIMS MADE OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | HIRED AUTOS | | | | |
| | NON-OWNED AUTOS | | | | |
| | GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | UMBRELLA FORM | | | | AGGREGATE \$ |
| | OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION | | | | STATUTORY LIMITS |
| | AND | | | | EACH ACCIDENT \$ |
| | EMPLOYERS' LIABILITY | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LOC: BELITA WATSON, UNMARRIED
112 CALLAHAN COURT, NEWARK, NJ 07103 (22G2) LOT: 22.14 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****COVERAGES**

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DATE (MM/DD/YY) | LIMITS |
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| A | GENERAL LIABILITY
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OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 5000000
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EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE
LIMIT \$
BODILY INJURY
(Per person) \$
BODILY INJURY
(Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
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OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
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| | WORKER'S COMPENSATION
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EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A | OTHER
Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

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EATONTOWN, NJ 07724

CANCELLATION

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LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010056000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc. Hill @ University Hts. III
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COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****COVERAGES**

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DATE (MM/DD/YY) | LIMITS |
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| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE
LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY
(Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY
(Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE—POLICY LIMIT \$ |
| | | | | | DISEASE—EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Bldg. & Cnts | | | | |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: BELITA WATSON, UNMARRIED
LOC: 112 CALLAHAN COURT, NEWARK, NJ 07103 (22G2) LOT: 22.14 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
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DATE (MM/DD/YY) | LIMITS |
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| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | AUTOMOBILE LIABILITY | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | | | | | COMBINED SINGLE LIMIT \$ |
| | | | | | BODILY INJURY (Per person) \$ |
| | | | | | BODILY INJURY (Per accident) \$ |
| | | | | | PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | | | | | AGGREGATE \$ |
| | | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
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| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | | | | | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: BELITA WATSON, UNMARRIED
LOC: 112 CALLAHAN COURT, NEWARK, NJ 07103 (22G2) LOT: 22.14 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

THIS INDENTURE
(Site C and E)

Dated MAY 20, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND WILLIAM T. CONYERS, JR., UNMARRIED

the GRANTEE

about to reside at 53B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$114,081.81 ONE HUNDRED FOURTEEN THOUSAND EIGHTY ONE AND .81/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. H2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

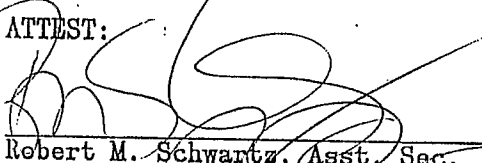
The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.16, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

Prepared by: ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:

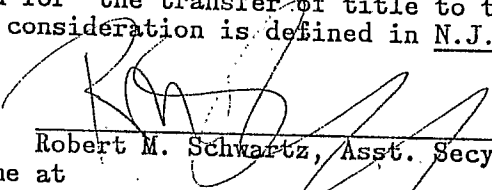

LAURA VANVELTHOVEN,
Sales Manager

KHOV036060

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 20, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by LAURA VANVELTHOVEN,

Sales Manager of the GRANTOR; he signed this Deed to attest to the signing of the Deed by LAURA VANVELTHOVEN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 114,081.81.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this ____ day of _____, 1994.

GRANTEE WILLIAM T. CONYERS, JR. GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 20 day of MAY, 1994, before me, the subscriber WILLIAM T. CONYERS, JR., personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
WILLIAM T. CONYERS, JR.

CHARGE, RECORD AND RETURN TO GEORGE CRETELLA, ESQUIRE
40 ROUTE 34, SUITE F
OLDBRIDGE, NJ 08857

KHOV036061

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

5/20/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E**

INSURED Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|-------------------------------------|--|---------------|----------------------------------|-----------------------------------|----------------------------------|
| <input checked="" type="checkbox"/> | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 500K |
| <input type="checkbox"/> | COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 500K |
| <input type="checkbox"/> | CLAIMS MADE <input type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 300K |
| <input type="checkbox"/> | OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 300K |
| <input type="checkbox"/> | | | | | FIRE DAMAGE (Any one fire) \$ 5K |
| | | | | | MED. EXPENSE (Any one person) \$ |
| <input type="checkbox"/> | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| <input type="checkbox"/> | ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| <input type="checkbox"/> | ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| <input type="checkbox"/> | SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| <input type="checkbox"/> | HIRED AUTOS | | | | |
| <input type="checkbox"/> | NON-OWNED AUTOS | | | | |
| <input type="checkbox"/> | GARAGE LIABILITY | | | | |
| <input type="checkbox"/> | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| <input type="checkbox"/> | UMBRELLA FORM | | | | AGGREGATE \$ |
| <input type="checkbox"/> | OTHER THAN UMBRELLA FORM | | | | |
| <input type="checkbox"/> | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| <input type="checkbox"/> | | | | | EACH ACCIDENT \$ |
| <input type="checkbox"/> | | | | | DISEASE-POLICY LIMIT \$ |
| <input type="checkbox"/> | | | | | DISEASE-EACH EMPLOYEE \$ |
| <input checked="" type="checkbox"/> | OTHER | | | | |
| <input checked="" type="checkbox"/> | Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| <input checked="" type="checkbox"/> | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LOC: WILLIAM T. CONYERS JR., UNMARRIED
53B WICKLIFFE STREET, NEWARK, NJ 07103 (22H2) LOT: 22.16 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVE

AUTHORIZED REPRESENTATIVE

0100361

K. Hovnanian[®]

Companies

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CONYERS, JR.
Lot: 22.16 Block: 406
Address: 53B WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: May 20, 1994

Deed Amount: \$ 114,081.61

Certificate of
Occupancy date: 2/24/94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

K. HOVNANIAN MTG.

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

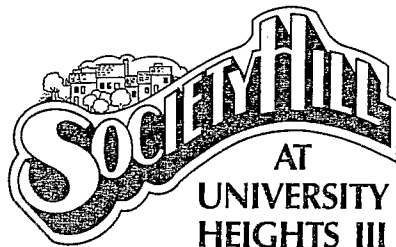
Please change your account records immediately to reflect the above.

Very truly yours,

William T. Conyers, Jr.
WILLIAM T. CONYERS, JR.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036086



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CONYERS, JR.
Lot: 22.16 Block: 406
Address: 53B WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: 5/20/94

Deed Amount: 114,081.81

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

K. HOVNANIAN MTS

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

William T. Conyers, Jr.
WILLIAM T. CONYERS, JR.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036087



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: AILEY
Lot: 22.12 Block: 406
Address: 108 CALLAHAN COURT
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$103,585.38

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Claudette V. Ailey

CLAUDETTE V. AILEY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner

Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036112



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: AILEY
Lot: 22.12 Block: 406
Address: 108 CALLAHAN COURT
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$103,585.38

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

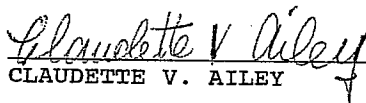
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


CLAUDETTE V. AILEY

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036113

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND CLAUDETTE V. AILEY, MARRIED

the GRANTEE

about to reside at 108 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$104,993.70

ONE HUNDRED FOUR THOUSAND NINE HUNDRED NINETY THREE AND .70/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. F2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.12, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:

Robert M. Schwartz, Asst. Sec.

WAYNE J. SOOJIAN,
Sales & Marketing Director

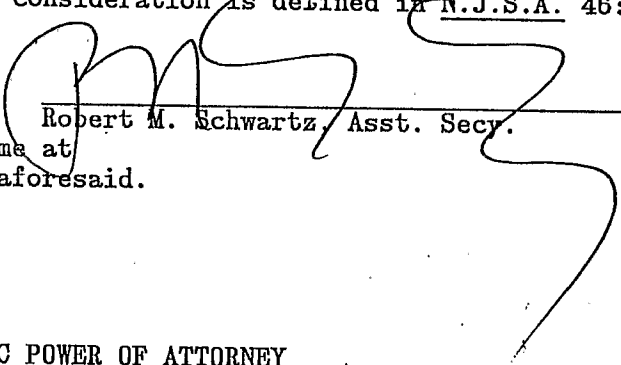
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

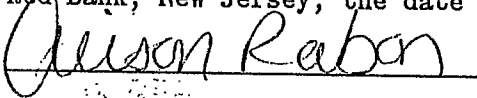
KHOV036138

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 104,993.70.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires June 28, 1996 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE CLAUDETTE V. AILEY

GRANTEE _____

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber CLAUDETTE V. AILEY, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
CLAUDETTE V. AILEY

CHARGE, RECORD AND RETURN TO

BETTE R. GRAYSON, ESQUIRE
155 MORRIS AVENUE
P.O. BOX 75
SPRINGFIELD, NJ 07081

KHOV036139

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

903-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
COMPANY LETTER **B**
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

INSURED Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|----------|---|---------------|----------------------------------|-----------------------------------|---|
| A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 5000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A | OTHER
Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

LOC: CLAUDETTE V. AILEY, MARRIED
108 CALLAHAN COURT, NEWARK, NJ 07103 (22F2) LOT: 22.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine
COMPANY LETTER **B**
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

INSURED Sec. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|--|---------------|----------------------------------|-----------------------------------|---|
| A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 5000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A | OTHER: Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CLAUDETTE V. AILEY, MARRIED
LOC: 108 CALLAHAN COURT, NEWARK, NJ 07103 (22F2) LOT: 22.12 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

019036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

02/28/94

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
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| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-------------------------------------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| <input checked="" type="checkbox"/> | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| <input type="checkbox"/> | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| <input type="checkbox"/> | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| <input type="checkbox"/> | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE—POLICY LIMIT \$ |
| | | | | | DISEASE—EACH EMPLOYEE \$ |
| <input checked="" type="checkbox"/> | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | A Bldg. & Cnts | | | | \$100,000. |
| <input checked="" type="checkbox"/> | A Fidelity | BC02900238 | 1/01/94 | 1/01/95 | |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CLAUDETTE V. AILEY, MARRIED

LOC: 108 CALLAHAN COURT, NEWARK, NJ 07103 (22F2) LOT: 22.12 BLOCK: 406

CERTIFICATE HOLDERK. HOVNANIAN MORTGAGE, INC.,
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AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
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AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

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Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt.
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| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
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| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
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| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
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| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Bldg. & Cnts | | | | |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |
| | | | | | |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CLAUDETTE V. AILEY, MARRIED
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THEIR SUCCESSORS AND/OR ASSIGNS,
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AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 82

Unit No.: F2

The Purchase Agreement between Claudette V. Ailey BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 12/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,488.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 3,194.66
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,294.04
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 81,550.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,993.70
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/31/93
DATE

Claudette V. Ailey
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian

WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036175

DATE:

12/16/93

INCREASED PURCHASE PRICE SUMMARY

PROJECT: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BUILDING: 22 UNIT: F2

PURCHASER: AILEY

ITEM

AMOUNT

CONTRACT PURCHASE PRICE:

101,950.00

DECORATOR SELECTION #:

4,538.70

WORK AUTHORIZATION #:

WORK AUTHORIZATION #:

CREDIT WORK AUTHORIZATION #:

(LESS) NON REALTY ITEMS:

Refrigerator

620.00

Icemaker

N/A

Washer

500.00

Dryer

375.00

TOTAL NON REALTY ITEMS:

\$1,495.00

CONTRACT + DECORATOR SELECTIONS:

\$106,488.70

LESS NON-REALTY ITEMS:

\$1,495.00

TOTAL DEED AMOUNT:

\$104,993.70

KHOV036176

ZZZ

K.HOVNANTIAN BENEVOLENT RENEWAL CORP III

D.S.No : IW-22-F2

PROJECT : IW - SOCIETY HILL @ UNIV. HEIGHTS III E2C

Printed: 05-DEC-1993

BLDG NO: 22 UNIT: F2
MODEL : STH1150-U >UP

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : AILEY
CONTRACT DATE: 03-dec-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|---------------------------------|----------------------|------------|----------|------------------|------------|
| 01---APPLIANCES--- | | | | | | |
| ABX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | GBD500 | ALMOND | ALMOND | 340.00 <H |
| AEX01 | REFRIGERATOR | 18.2 CF REFRIGERATOR | IBX18BAS | ALMOND | ALMOND | 620.00 |
| AHS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | ALMOND | ALMOND | 0.00 |
| ARS00 | RANGE | STANDARD RANGE | JGBEC15GE | ALMOND | ALMOND | 0.00 |
| AWX02 | WASHER | WASHER SUPER CAPACIT | WMA8620R | WHITE | WHITE | 500.00 |
| AYX02 | DRYER | DRYER 5 CYCLE | XTRDDG7680 | WHITE | WHITE | 375.00 |
| 02---CABINETS--- | | | | | | |
| KCU01 | KITCHEN CABINETS | NATURAL LITE | | | | 675.00 <H |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | D30-6 | NATURAL ALMOND | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR CARPETING | COLOSSAL | 45 | 39.33 SY | 6333 FAIRIE DUST | FCC0101A02 |
| Zone: 02 | 1ST FLOOR STAIRS/HALL CARPETING | COLOSSAL | 45 | 75.67 SY | 6333 FAIRIE DUST | FCC0102A02 |
| Zone: 03 | KITCHEN LINOLEUM FLOORING | STARSTEP | 19 SY | 64602 | | FLC0103A02 |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| XFS01 | FLOORING PACKAGES | STD. LAYOUT | | | | 1748.70 <H |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| NBS01 | BIFOLD DOORS | MASTER BEDROOM | STD BIFOLD | 4'0" | | 0.00 |
| NBS03 | BIFOLD DOORS | 2ND FLOOR STORAGE | STDBIFOLD | 4'0" | | 0.00 |
| NBS04 | BIFOLD DOORS | 2ND FLOOR LINEN | STDBIFOLD | 3'0" | | 0.00 |
| NBU00 | BIFOLD DOORS | LIVING ROOM STORAGE | HI-BIFOLD | 4'0" | | 140.00 <H |
| NBU02 | BIFOLD DOORS | BEDROOM #2 | HI-BIFOLD | 4'0" | | 140.00 <H |

3%

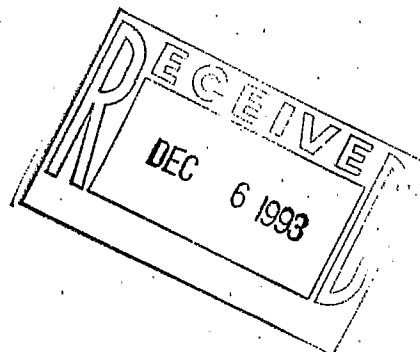
Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : *Claudette V. Ailey*
PURCHASER :
DATE : *12/5/93*

GRAND TOTAL \$ 4538.70
Incl. Mortg. Sel \$ 3043.70

SALES REP : *Jim Weems*
SALES MGR : *Robert 12-6-93*
CONST. MGR : *12-7-93*

AMOUNT DUE NOW \$ 136.16
AMOUNT PAID NOW \$ 136.16 "CK"
AMOUNT DUE AT CLOS \$ 4402.54



KHOV036177

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: F2

The Purchase Agreement between Claudette V. Ailey BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 12/3/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 106,488.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,136.16
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,352.54
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 81,550.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,993.70
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

12/5/93
DATE

Claudette V Ailey
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
WAYNE SOOFIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036178

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN URBAN-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): CLAUDETTE V AILEY (M) of 1411 GRAND CONCOURSE/APT 2D
Tel: Res: (718) 588-4570 BRONX
Bus: (212) 876-B000 NY 10492.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.12
BLDG NO.: 22 , UNIT NO: P2 , MODEL: STN1150-U HUPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE OF MODEL \$101,950.00

| | | | | | |
|---------------------|---------------------|----|--------------|-------------------------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 03-DEC-1993 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 03-DEC-1993 |
| | ADDITIONAL DEPOSIT | \$ | 2,058.50 | BY DATE | 02-JAN-1994 |
| | BALANCE at CLOSING | \$ | 98,891.50 | PAID by CERTIFIED CHECK | |
| | Total PAYMENT | | \$101,950.00 | | |

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 01-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: R. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036179



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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| 5. TITLE | 1 |
| 6. POSSESSION | 2 |
| 7. BUYER'S REPRESENTATION | 2 |
| 8. CHANGES IN PLANS | 2 |
| 9. FIRE AND OTHER CASUALTY | 2 |
| 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY
HEIGHTS CONDOMINIUM ASSOCIATION III, INC. | 2 |
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| 12. DEFAULT OF BUYER | 2 |
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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 3rd day of December, 1993.

Buyer: Claudette V. Ailey

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Claudette V. Ailey 12/3/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: Wayne Soojian 12.10.93
DIRECTOR OF MARKETING AND SALES DATE

K Hovnanian[®]

Companies

MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SHERVINGTON
Lot: 22.13 Block: 406
Address: 114 Callahan Court
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$104,866.16

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.


Please change your account records immediately to reflect the above.

Very truly yours,


Buyer

Buyer

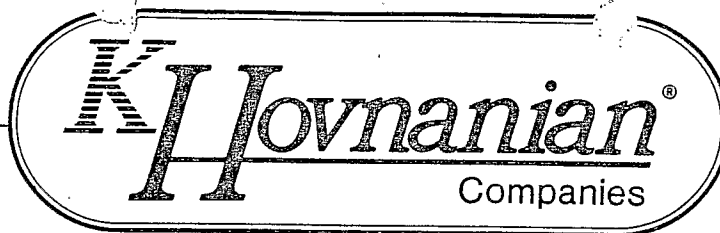
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036189



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SHERVINGTON
Lot: 22.13 Block: 406
Address: 114 Callahan Court
Newark, NJ 07103

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$104,866.16

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

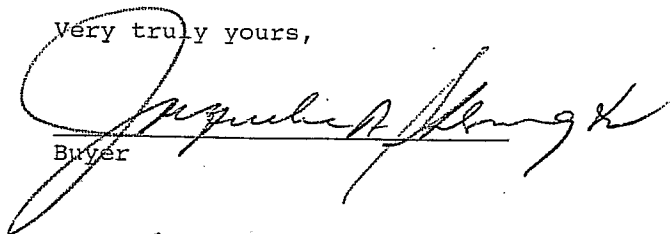
The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

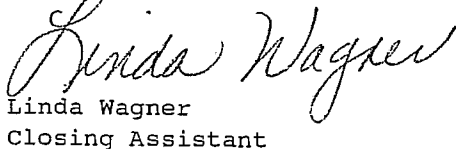
Please change your account records immediately to reflect the above.

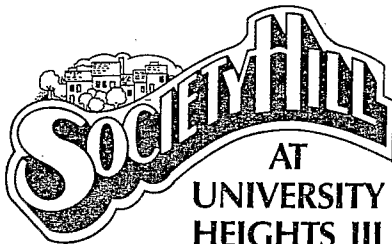
Very truly yours,


Buyer

Buyer

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036190

THIS INDENTURE
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JACQUELINE A. SHERVINGTON, UNMARRIED

the GRANTEE

about to reside at 114 CALLAHAN COURT, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$104,866.16

~~ONE HUNDRED FOUR THOUSAND EIGHT HUNDRED SIXTY SIX AND 16/100~~ Dollars.
The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. G1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 45: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. TRBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

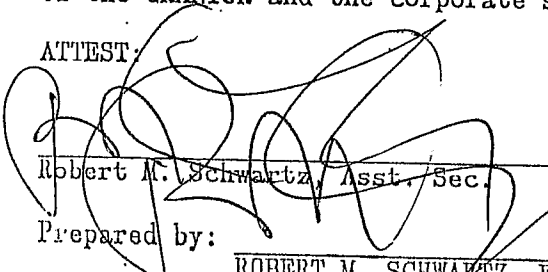
Being also known as Lot No. 22.13, in Block No. 406, on the tax map of the City of Newark.

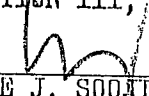
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:


Robert M. Schwartz, Asst. Sec.


WAYNE J. SOOJIAN,
Sales & Marketing Director

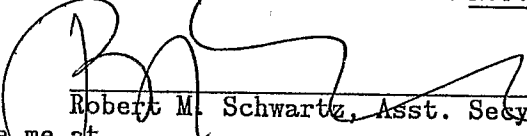
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

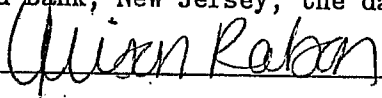
KHOV036213

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 104,866.16.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1986

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE JACQUELINE A. SHERVINGTON GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber JACQUELINE A. SHERVINGTON, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
JACQUELINE A. SHERVINGTON

CHARGE, RECORD AND RETURN TO PATRICIA A. HURT, ESQUIRE
16 GREEN STREET
NEWARK, NJ 07102

KHOV036214

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A St. Paul Fire & Marine

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|--|---------------|----------------------------------|-----------------------------------|---|
| A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A | Blanket Building Contents | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JACQUELINE A. SHERVINGTON, UNMARRIED
LOC: 114 CALLAHAN COURT, NEWARK, NJ 07103 (22G1) LOT: 22.13 BLOCK: 406

KH0V036223

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & Marine

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|---|--------------------------|----------------------------------|-----------------------------------|---|
| | GENERAL LIABILITY
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY
<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR.
<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
<input type="checkbox"/> ANY AUTO
<input type="checkbox"/> ALL OWNED AUTOS
<input type="checkbox"/> SCHEDULED AUTOS
<input type="checkbox"/> HIRED AUTOS
<input type="checkbox"/> NON-OWNED AUTOS
<input type="checkbox"/> GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
<input type="checkbox"/> UMBRELLA FORM
<input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| | OTHER
<input checked="" type="checkbox"/> Blanket Building Contents
<input checked="" type="checkbox"/> Fidelity | BC02900238
BC02900238 | 1/01/94
1/01/94 | 1/01/95
1/01/95 | \$11,475,000.
100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JACQUELINE A. SHERVINGTON, UNMARRIED
LOC: 114 CALLAHAN COURT, NEWARK, NJ 07103 (22G1) LOT: 22.13 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | | | | | |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE—POLICY LIMIT \$ |
| | | | | | DISEASE—EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Blanket Building Contents | | | | |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMSOWNER: JACQUELINE A. SHERVINGTON, UNMARRIED
LOC: 114 CALLAHAN COURT, NEWARK, NJ 07103 (22G1) LOT: 22.13 BLOCK: 406**CERTIFICATE HOLDER**K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, SELLER; AND

Jacqueline A. Shervington

_____, BUYER

UNIT G1, BUILDING 22, PURCHASE AGREEMENT DATE 02-Nov-1993

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT BY BUYER AND SELLER, BUYER HEREBY AGREES TO
MAKE APPLICATION FOR MORTGAGE WITH K. HOVNANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K.
HOVNANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSES ON THE SAID
MORTGAGE AND CLOSES TITLE TO THE PREMISES (AS DEFINED IN THE
PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE
CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO
AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED
TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT
OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE,
THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS
THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE
DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE
INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN
WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE
OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE
INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE
DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER
WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE
UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER
COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN
AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS
(\$2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE
AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Jacqueline A. Shervington
BUYER

11/6/93
DATE

THIS AMENDMENT WILL
SUPERSEDE AND TERMINATE
THE PREVIOUS ADDENDUM DATED

X
BUYER

DATE

K. HOVNANIAN, AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: Wayne

WAYNE SOOJIAN

KHOV036247

DATE: 11/29/93

INCREASED PURCHASE PRICE SUMMARY

PROJECT: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BUILDING: 22 UNIT: G1

PURCHASER: SHERVINGTON

| <u>ITEM</u> | <u>AMOUNT</u> |
|------------------------------|-----------------------------|
| CONTRACT PURCHASE PRICE: | <u>103,950.00</u> |
| DECORATOR SELECTION #: | <u>1,731.16</u> |
| WORK AUTHORIZATION #: | <u> </u> |
| WORK AUTHORIZATION #: | <u> </u> |
| CREDIT WORK AUTHORIZATION #: | <u> </u> |

(LESS) NON REALTY ITEMS:

| | |
|-------------------------|------------------|
| <u>Refrigerator</u> | <u>N/A</u> |
| <u>Icemaker</u> | <u>N/A</u> |
| <u>Washer</u> | <u>470.00</u> |
| <u>Dryer</u> | <u>345.00</u> |
| TOTAL NON REALTY ITEMS: | <u>\$ 815.00</u> |

CONTRACT + DECORATOR SELECTIONS:

105,681.16

LESS NON-REALTY ITEMS:

815.00

TOTAL DEED AMOUNT:

\$ 104,866.16

KHOV036248

XXX

K. HOVNANIAN CREUARY-OPP RENEWAL CORP III
 PROJECT : IW -- SOCIETY HILL C UNIV. HEIGHTS III E&C

D.S.No : IW-23-61
 Printed: 17-NOV-1993

BLDG NO: 34 UNIT: G1
 MODEL : 5TH1330-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

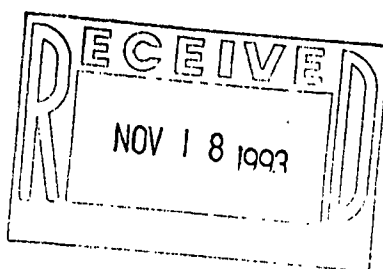
BUYER : SHERVINGTON
 CONTRACT DATE: 02-nov-1993

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--|--------------------------------------|----------------------|------------|---------------|-------------------|----------------|
| 01-----APPLIANCES----- | | | | | | |
| AWX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | 690500 | ALMOND | ALMOND | 340.00 < |
| AMS00 | RANGE HOOD | STANDARD RANGE HOOD | JN322 | ALMOND | ALMOND | 0.00 < |
| AMS00 | RANGE | STANDARD RANGE | 758C155E | ALMOND | ALMOND | 0.00 < |
| AWX01 | WASHER | WASHER LG CAPACITY | 224A5600 | WHITE | WHITE | 470.00 < |
| AWX01 | DRYER | DRYER 4 CYCLE | XTRDD65980 | WHITE | WHITE | 345.00 < |
| 02-----CABINETS----- | | | | | | |
| KCS00 | KITCHEN CABINETS | ALTON LITE | | | | 0.00 < |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | 4143-6 | NEUTRAL GLACE | | 0.00 < |
| 03-----FLOORING----- | | | | | | |
| Zone: 01 | 2ND FLOOR | | | | | |
| | CARPETING | VERSAILITY | 26 | 60.0 SY | G211 MELLOW BEIGE | ECC0101400 --- |
| Zone: 02 | 1ST FLOOR STAIRS/HALL | | | | | |
| | CARPETING | VERSAILITY | 26 | 78.0 SY | G211 MELLOW BEIGE | ECC0102400 --- |
| Zone: 03 | KITCHEN/ENTRY | | | | | |
| | LINOLEUM FLOORING | CANBRAY | 17.67 SY | 68505 | | FLC0103A00 --- |
| Package includes UPGRADE Padding in carpeted areas | | | | | | |
| FLS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 576.16 < |
| 04-----SELECTIONS: INTERIOR----- | | | | | | |
| MBS01 | BIFOLD DOORS | DR, LEFT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 < |
| MBS02 | BIFOLD DOORS | DR, RIGHT STD BIFOLD | STD BIFOLD | 3'0" | | 0.00 < |
| MSS01 | SLIDER DOORS | MSTR BR STD SLIDER | STD SLIDER | 3'0" | | 0.00 < |
| MSS02 | SLIDER DOORS | BR #1 STD SLIDER | STD SLIDER | 4'0" | | 0.00 < |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER: *[Signature]*
 PURCHASER: *[Signature]*
 DATE: 11-17-93
 SALE REP: *[Signature]*
 SALES REP: *[Signature]* 11/17/93
 CONST. HLT: *[Signature]* 11-26-93

GRAND TOTAL \$ 1731.16
 Incl. Mortg. Sel \$ 1731.16
 AMOUNT DUE NOW \$ 51.93
 AMOUNT PAID NOW \$ 51.93 'CK'
 AMOUNT DUE AT CLOS \$ 1679.23



KHOV036249

AR

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: G1

The Purchase Agreement between Jaqueline A. Shervington BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 11-2-93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,681.16
2. THE DEPOSITS REQUIRED ARE INCREASED TO \$ 3170.43
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,510.73
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,866.16
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

11/17/93
DATE

Jaqueline A. Shervington
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036250

S U M M A R Y O F T R A N S A C T I O N S

TC15

The SELLER: K.HOVNANIAN GENEWART-URB RENEMAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JACQUELINE A. SHERVINGTON (u) of 67-25 WOODHAVEN BLVD., #2A
Tel: Res: (718) 565-8531 REGO. PK.
Bus: (212) 264-4439 NY 11374.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILLS @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 22.13
BLDG NO.: 22 UNIT NO: G1 MODEL: SM1330-C 2-LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 02-NOV-1993
ON SIGHING CONTRACT \$ 1,000.00 ON DATE 02-NOV-1993
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 02-DEC-1993
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHQ
Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$100,850.00 MORTGAGE CONTINGENCY DATE: 01-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the term and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

(BUYER) DATE 11/24

(BUYER) DATE

(SELLER) DATE (BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS PURCHASE AGREEMENT" is required.

The BROKER: Landarawa, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036251



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be delivered to Buyer by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS.—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION.—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE.—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY.—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. **Study by Attorney:** The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. **Counting the Time:** You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. **Notice of Disapproval:** If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 2 day of Nov, 1993.

Buyer:

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY

WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE



X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SINCLAIR
Lot: 22.15 Block: 406
Address: 53A WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: May 31, 1994

Deed Amount: 108,691.00

Certificate of
Occupancy date: 5-25-94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Willie R. Sinclair
WILLIE R. SINCLAIR

Gloria Sinclair
GLORIA SINCLAIR

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036283



X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: SINCLAIR
Lot: 22.15 Block: 406
Address: 53A WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: May 31, 1994

Deed Amount: 108,691.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

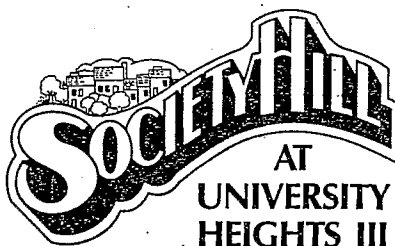
Very truly yours,

Willie R. Sinclair
WILLIE R. SINCLAIR

Gloria Sinclair
GLORIA SINCLAIR

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036284

Handwritten initials

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: #1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,301.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,301.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,301.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 108,691.00.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-16-94
DATE

x Willie R. Sinclair
BUYER
Gloria Sinclair
BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV036290

AK

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: #1

The Purchase Agreement Between Willie R. Sinclair, BUYER(S)
Gloria Sinclair, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 4/2/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 110,336.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 109,336.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 106,336.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 108,691.00.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4-9-94
DATE

Willie R. Sinclair
BUYER
Gloria Sinclair
BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KH0V036291

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Willie R. Sinclair

Gloria Sinclair

_____, Buyer.

UNIT: 41 BLDG.: 33 PURCHASE AGREEMENT DATE: 4/2/94

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to \$ 4,000.00.

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE 5/2/94

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE 4-9-94

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Jim Weems

"BUYER"

x Willie R. Sinclair
x Gloria Sinclair

KHOV036292

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: N. HOVNANIAN URBAN RENOVATION CORP. Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): WILLIE R SINCLAIR (W) of 78 MADISON AVENUE/APT C
Tel: Res: (201) 624-7005 NEWARK
Bus: (201) 596-5000 NJ 07108.

GLORIA SINCLAIR (W) of 78 MADISON AVENUE/APT C
Tel: Res: (201) 624-7005 NEWARK
Bus: (201) 430-2706 NJ 07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.15
BLDG NO: 22 , UNIT NO: H1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

| | | | | | |
|---------------------|---------------------|----|--------------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 02-APR-1994 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 02-APR-1994 |
| | ADDITIONAL DEPOSIT | \$ | 2,118.50 | BY DATE | 02-MAY-1994 |
| | BALANCE at CLOSING | \$ | 100,831.50 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | | \$103,950.00 | | |

MORTGAGE AMOUNT : \$103,950.00 MORTGAGE CONTINGENCY DATE: 01-JUN-1994
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

[Signature] 4/7/94
(SELLER) DATE

Willie R Sinclair 4-2-94
(BUYER) DATE
Gloria Sinclair 4-2-94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV036293



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 19, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 2nd day of April, 1994.

Buyer: x Willes R. Sinclair

Lisa M. Weems

Buyer: x Gloria Sinclair

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

x Willes R. Sinclair 4-29-94
BUYER DATE

x Gloria Sinclair 4-29-94
BUYER DATE

BY: [Signature] 4/29/94
DATE

K Hovnanian[®]

Companies

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Booker
Lot: 22.17 Block: 406
Address: 51A Wickliffe Street
NEWARK, NJ 07103

Closing date: 5-24-95

Deed Amount: \$33,700.00

Certificate of
Occupancy date: 5-23-95

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is: N/A CASH SALE

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Lillian Booker
Lillian Booker

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Shelly L. Bigams
Shelly L. Bigams
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036327

K Hovnanian[®]

Companies

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

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Please change your account records immediately to reflect the above.

Very truly yours,

Lillian Booker
Lillian Booker

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Shelly L. Bigans
Shelly L. Bigans
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036328

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by:

SHELLY L. BIGAMS

LILLIAN E. BOOKER

This Mortgage made on MAY 24, 1995 between CITY OF NEWARK (referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"), which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated MAY 24, 1995. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the _____ of _____
County of _____ and State of New Jersey, specifically described as follows:
Street Address: _____
City: _____ Zip: _____ Block No.: _____ Lot No.: _____
Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036343

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: Shelly L. Bigams
SHELLY L. BIGAMS
LILLIAN E. BOOKER

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All of the land located in the _____ of _____
County of _____ and State of New Jersey, specifically described as follows:
Street Address: _____
City: _____ Zip: _____ Block No.: _____ Lot No.: _____
Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

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 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
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3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036344

maximum allowable resale price, the method of repayment described in Item 1(b) of the section entitled "Borrower's Promises", and the definition of a "restricted sale" for purposes of determining when the Affordability Controls are applicable, and the determination of the restricted period of time.

RIGHTS GIVEN TO LENDER

The Borrower, by mortgaging the Property to the Authority, gives the Authority those rights stated in this Mortgage, all rights the law gives to lenders, who hold mortgages, and also all rights the law gives to the Authority and/or Municipality under the Affordability Controls. The rights given to the Authority and the restrictions upon the Property are covenants running with the land. The rights, terms and restrictions in this Mortgage shall bind the Borrower and all subsequent purchasers and owners of the Property, and the heirs and assigns of all of them. Upon performance of the promises contained in the Note and Mortgage, the Authority will cancel this Mortgage at its expense.

DEFAULT

The Authority may declare the Borrower in default on the Note and this Mortgage if:

- 1. The Borrower fails to comply with the provisions of the Affordable Housing Agreement;
- 2. The Borrower fails to make any payment required by the Note and this Mortgage;
- 3. The Borrower fails to keep any other promise made in this Mortgage;
- 4. The ownership of the Property is changed for any reason without compliance with the terms of the Note and Mortgage;
- 5. The holder of any lien on the Property starts foreclosure proceedings; or
- 6. Bankruptcy, Insolvency or receivership are started by or against any of the Borrowers.

AUTHORITY'S RIGHTS UPON DEFAULT

If the Authority declares that the Note and this Mortgage are in default, the Authority shall have, subject to the rights of the First Mortgagee, all rights given by law or set forth in this Mortgage.

NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE. ADDRESS CHANGES MAY BE MADE UPON NOTICE TO THE OTHER PARTY.

NO WAIVER BY AUTHORITY

The Authority may exercise any right under this Mortgage or under any law, even if the Authority has delayed in exercising that right or has agreed in an earlier instance not to exercise that right. The Authority does not waive its right to declare the Borrower is in default by making payments or incurring expense on behalf of the Borrower.

EACH PERSON LIABLE

This Mortgage is legally binding upon each Borrower and all who succeed to their responsibilities (such as heirs and executors). The Authority may enforce any of the provisions of the Note and this Mortgage against any one or more of the Borrowers who sign this Mortgage.

SUBORDINATE MORTGAGE

The lien on this Mortgage is inferior to and subject to the terms and provisions of the First Purchase Money Mortgage executed contemporaneously herewith or any subsequent refinancing.

NO ORAL CHANGES

This Mortgage can only be changed by an agreement in writing signed by both the Borrower and the Authority.

SIGNATURES

The Borrower agrees to the terms of this Mortgage by signing below.

ACKNOWLEDGEMENT

Borrower acknowledges receipt of a true copy of this mortgage at no charge.

Dated: MAY 24, 1995

ATTEST:

By:

Signature (Borrower) LILLIAN E. BOOKER

Signature (Co-Borrower)

STATE OF NEW JERSEY)

)ss

COUNTY OF)

BE IT REMEMBERED, that on this 24TH day of MAY, 19 95, before me, the subscriber, personally appeared

who, being by me duly sworn on his/her oath, deposes and makes proof to my satisfaction, that he/she is the Borrower (Co-Borrower) named in the within instrument; that is the Repayment Mortgage for the described Property; that the execution, as well as the making of this instrument, has been duly authorized and is the voluntary act and deed of said Owner.

Sworn to and subscribed before me, the date aforesaid.

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated MAY 24, 1995

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND LILLIAN E. BOOKER (UNMARRIED)

the GRANTEE

about to reside at 51A WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$33,700.00
THIRTY-THREE THOUSAND SEVEN HUNDRED AND 00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. 11, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV036349

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN ACCORDANCE WITH THE ABOVE MENTIONED RESTRICTION AND ANY SALE AND VIOLATION OF THIS RESTRICTION SHALL BE VOID AND CAUSE A REVERSION OF TITLE TO K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., WHO, DURING THE REMAINDER OF THE TEN YEAR PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER LOW OR MODERATE INCOME PURCHASER. This restriction shall be a covenant that runs with the land.

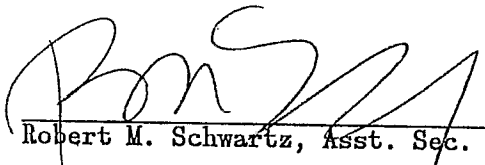
The Grantee promises, covenants and agrees with Grantor that anyone claiming title from, through or under the Grantee shall be subject to the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

Any revesting of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.17, in Block No. 406, on the tax map of the City of Newark.

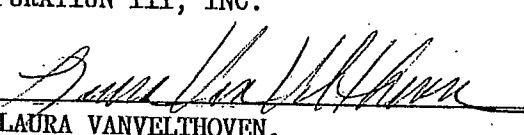
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

BY:

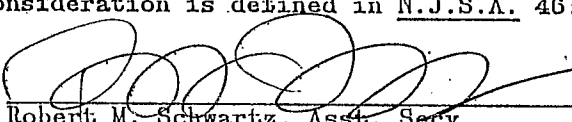

LAURA VANVELTHOVEN,
Sales Manager

KHOV036350

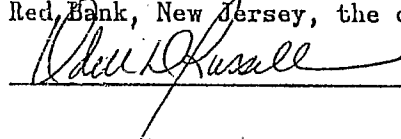
STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 24, 1995 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by LAURA VANVELTHOVEN,

Sales Manager of the GRANTOR; he signed this Deed to attest to the signing of the Deed by LAURA VANVELTHOVEN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 33,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.



ODELL D. RUSSELL
Notary Public of New Jersey
My Commission Expires 11/1/99

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 24 day of MAY, 1995.

GRANTEE LILLIAN E. BOOKER

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 24TH day of MAY, 1995, before me, the subscriber LILLIAN E. BOOKER, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
LILLIAN E. BOOKER

CHARGE, RECORD AND RETURN TO

CARMINE J. CARUSO, ESQUIRE
81 NORTHFIELD AVENUE
WEST ORANGE, NJ 07052

KHOV036351

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

1/04/95

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E**INSURED**

Soc.Hill @ University Hts.III
C/O Alan R. Trachtenberg
One Cornerstone Lane
Newark
NJ 07103

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/95 | 1/01/96 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 5000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 5000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/95 | 1/01/96 | \$21,775,000. |
| A | Bkt. Bldgs & Cnts Fidelity | BC02900238 | 1/01/95 | 1/01/96 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LILLIAN E. BOOKER, (UNMARRIED)

LOCATION: 51A WICKLIFFE STREET, NEWARK, NJ 07103 LOT:22.17 BLOCK:406

CERTIFICATE HOLDER

N/A

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD 25-S (7/90)

KHOV036358

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ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

1/04/95

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER A

St. Paul Fire & Marine

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

INSURED

Soc.Hill @ University Hts. III
C/O Alan R. Trachtenberg
One Cornerstone Lane
Newark
NJ 07103

COVERAGES

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| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 5000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 5000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/95 | 1/01/96 | \$21,775,000. |
| | Bldg. Bldgs & Cnts Fidelity | | | | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LILLIAN E. BOOKER, (UNMARRIED)
LOCATION: 51A WICKLIFFE STREET, NEWARK, NJ 07103 LOT:22.17 BLOCK:406

CERTIFICATE HOLDER

N/A

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

ACORD 25-S (7/90)

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KHOV036369

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

1/04/95

PRODUCER

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21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> NON-OWNED AUTOS | | | | AGGREGATE \$ |
| | EXCESS LIABILITY | | | | STATUTORY LIMITS |
| | <input type="checkbox"/> UMBRELLA FORM | | | | EACH ACCIDENT \$ |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | | | | | |
| A | OTHER | BC02900238 | 1/01/95 | 1/01/96 | \$21,775,000.
\$100,000. |
| A | Bldg. Bldgs & Cnts Fidelity | | 1/01/95 | 1/01/96 | |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: LILLIAN E. BOOKER, (UNMARRIED)
LOCATION: 51A WICKLIFFE STREET, NEWARK, NJ 07103 LOT:22.17 BLOCK:406

CERTIFICATE HOLDER

N/A

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

ACORD 25-S (7/90)

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KHOV036370

AMENDMENT TO PURCHASE AGREEMENT
(UNIT PRICE)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc.,
Seller; and

LILLIAN E. BOOKER

, Buyer.

UNIT II, BLDG. 22

PURCHASE AGREEMENT DATED: 3/18/95

(1) The Summary of Basic Provisions of the Purchase Agreement between the above parties executed on the above date be and hereby is amended.

(2) The "PURCHASE PRICE" set forth in the Summary of Basic Provisions for this applicable Unit and its component parts are changed and the terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement shall be as follows:

THE PURCHASE PRICE: \$ 33,700.00

Consisting of:

BASE PRICE of MODEL: \$ 33,700.00
and Premiums:

\$ _____

\$ _____

\$ _____

\$ _____

(3) Any excess deposit monies caused by the above shall be refunded or credited to Buyer at the closing, as applicable.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE 3-23-95

"SELLER"

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

DATE 3-18-95

"BUYER"

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Rita Weems

Lillian Booker

FORM PR/DOR
1/22/90

KHOV036383

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): LILLIAN E BOOKER (u) of 117 ROSE STREET/APT 1B
Tel: Res: (201) 824-6249 NEWARK
Bus: () NJ ,07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.17
BLDG NO.: 22 , UNIT NO: 11 , MODEL: STH1150-G >LOWER

The PURCHASE PRICE : \$ 91,950.00
Consisting of:
BASE PRICE of MODEL \$ 91,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 18-MAR-1995
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 18-MAR-1995
ADDITIONAL DEPOSIT \$ 1,758.50 BY DATE 17-APR-1995
BALANCE at CLOSING \$ 89,191.50 PAID by CERTIFIED CHECK
Total PAYMENT \$ 91,950.00

MORTGAGE AMOUNT : \$ 0.00 MORTGAGE CONTINGENCY DATE: NOT APPLCBL
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Lillian Booker 3-18-95
(BUYER) DATE

(BUYER) DATE

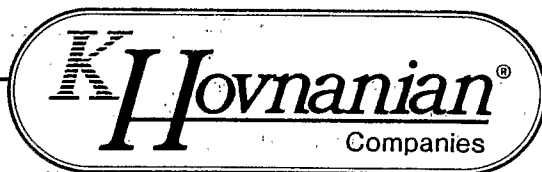
(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036384



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Jillian Booker*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

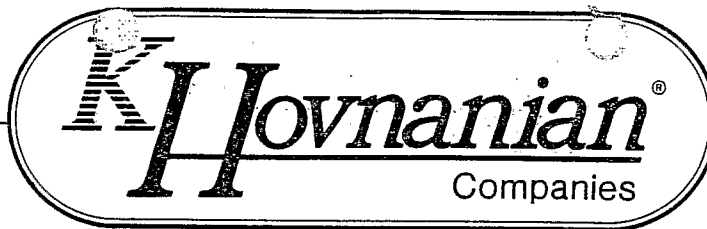
BUYER

DATE

BY: *[Signature]*

DATE

KHOV036388



APRIL 29, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: WILLIAMS
Lot: 22.18 Block: 406
Address: 51B WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: APRIL 29, 1994

Deed Amount: \$104,514.70

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is: *K. Hovnanian Mtg.*

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Ollie R. Williams
OLLIE R. WILLIAMS

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036399



APRIL 29, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: WILLIAMS
Lot: 22.18 Block: 406
Address: 51B WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: APRIL 29, 1994
Deed Amount: \$104,514.70

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

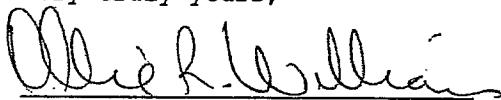
The bank who holds our mortgage is: K. Hovnanian Mfg.

Our Mortgage Account No.:

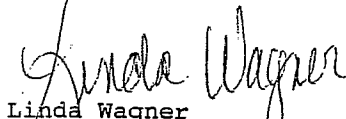
Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


OLLIE R. WILLIAMS

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036400

THIS INDENTURE
(Site C and E)

Dated APRIL 29, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND OLLIE R. WILLIAMS, UNMARRIED

the GRANTEE

about to reside at 51B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$104,514.70

~~ONE HUNDRED FOUR THOUSAND FIVE HUNDRED FOURTEEN AND 70/100~~ Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. 12, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RB9 (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.18, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

Robert M. Schwartz, (Asst. Sec.)

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

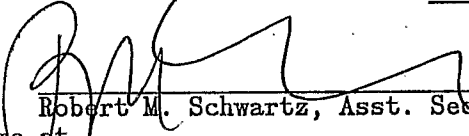
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

KHOV036432

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On APRIL 29, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 104,514.70.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 29 day of APRIL, 1994.

GRANTEE OLLIE R. WILLIAMS

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 29 day of APRIL, 1994, before me, the subscriber OLLIE R. WILLIAMS, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to

OLLIE R. WILLIAMS

KHOV036433

CHARGE, RECORD AND RETURN TO

MELVIN C. RANDALL, ESQUIRE

57 WASHINGTON AVE., E. ORANGE, NJ 07017

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

04/29/94

PRODUCER

Weeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E**

INSURED Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-------------------------------------|--|---------------|-------------------------------------|--------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| <input type="checkbox"/> | COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| <input type="checkbox"/> | CLAIMS MADE OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| <input type="checkbox"/> | OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 50000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ |
| <input type="checkbox"/> | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| <input type="checkbox"/> | ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| <input type="checkbox"/> | ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| <input type="checkbox"/> | SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| <input type="checkbox"/> | HIRED AUTOS | | | | |
| <input type="checkbox"/> | NON-OWNED AUTOS | | | | |
| <input type="checkbox"/> | GARAGE LIABILITY | | | | |
| <input type="checkbox"/> | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| <input type="checkbox"/> | UMBRELLA FORM | | | | AGGREGATE \$ |
| <input type="checkbox"/> | OTHER THAN UMBRELLA FORM | | | | |
| <input type="checkbox"/> | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| <input type="checkbox"/> | | | | | EACH ACCIDENT \$ |
| <input type="checkbox"/> | | | | | DISEASE—POLICY LIMIT \$ |
| <input type="checkbox"/> | | | | | DISEASE—EACH EMPLOYEE \$ |
| <input checked="" type="checkbox"/> | Other Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| <input checked="" type="checkbox"/> | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: OLLIE R. WILLIAMS, UNMARRIED
LOC: 51B WICKLIFFE STREET, NEWARK, NJ 07103 (22I2) LOT: 22.18 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

KH0V036442

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

04/29/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY LETTER **A**

St. Paul Fire & Marine

COMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E****INSURED**

Soc Hill @ University Hts III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|--|---------------|----------------------------------|-----------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | AUTOMOBILE LIABILITY | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | | | | | COMBINED SINGLE LIMIT \$ |
| | | | | | BODILY INJURY (Per person) \$ |
| | | | | | BODILY INJURY (Per accident) \$ |
| | | | | | PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | | | | | AGGREGATE \$ |
| | | | | | |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000 |
| | | | | | \$100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: OLLIE R. WILLIAMS, UNMARRIED

LOC: 51B WICKLIFFE STREET, NEWARK, NJ 07103 (22I2) LOT: 22.18 BLOCK: 406

CERTIFICATE HOLDER

K. HOVMANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010035000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

04/29/94

PRODUCERMaeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | AUTOMOBILE LIABILITY | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | <input type="checkbox"/> ANY AUTO | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE—POLICY LIMIT \$ |
| | | | | | DISEASE—EACH EMPLOYEE \$ |
| A | Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: OLLIE R. WILLIAMS, UNMARRIED

LOC: 51B WICKLIFFE STREET, NEWARK, NJ 07103 (2212) LOT: 22.18 BLOCK: 406

CERTIFICATE HOLDERK. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD 25-S (7/90)

KH0V036453

©ACORD CORPORATION 1990

THIS INDENTURE
(Site C and E)

Dated APRIL 29, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND OLLIE R. WILLIAMS, UNMARRIED

the GRANTEE

about to reside at 51B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$104,514.70 ONE HUNDRED FOUR THOUSAND FIVE HUNDRED FOURTEEN AND 70/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. 12, in Building No. 122, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RB9 (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.18, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz, (Asst. Sec.)

BY:

WAYNE J. SOOTEN,
Sales & Marketing Director

Prepared by:

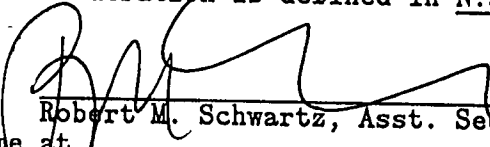
ROBERT M. SCHWARTZ, ESQ.

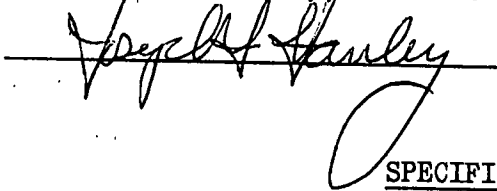
KHOV036460

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On APRIL 29, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 104,514.70.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


Robert M. Schwartz, Asst. Secy.


JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 29 day of APRIL, 1994.


GRANTEE OLLIE R. WILLIAMS GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 29 day of APRIL, 1994, before me, the subscriber OLLIE R. WILLIAMS, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.


JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
OLLIE R. WILLIAMS

CHARGE, RECORD AND RETURN TO MELVIN C. RANDALL, ESQUIRE
57 WASHINGTON AVE., E. ORANGE, NJ 07017

KHOV036461

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 23

Unit No.: 12

The Purchase Agreement between Ollie R. Williams BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/5/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,129.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,155.39
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 105,004.31
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 102,945.80
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,514.70.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2-19-94
DATE

Ollie R. Williams
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: Wayne Soojian
WAYNE SOOJIAN
NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036469

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): OLLIE R WILLIAMS (u) of 120 VASSAR AVENUE/2ND FLOOR
Tel: Res: (201) 318-7854 NEWARK
Bus: (201) 705-3919 NJ ,07112.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.18
BLDG NO.: 22 , UNIT NO: 12 , MODEL: STM1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 05-FEB-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 05-FEB-1994
ADDITIONAL DEPOSIT \$ 2,058.50 BY DATE 07-MAR-1994
BALANCE at CLOSING \$ 98,891.50 PAID by CERTIFIED CHECK
Total PAYMENT \$101,950.00

MORTGAGE AMOUNT : \$ 98,850.00 MORTGAGE CONTINGENCY DATE: 06-APR-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

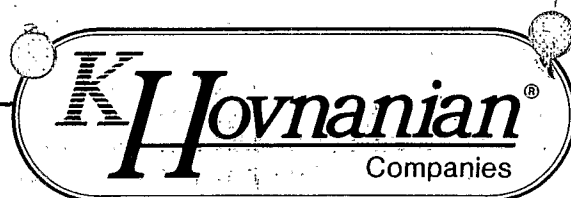
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036470



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date:

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee; which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. INSULATION—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 5th day of February, 1994.

Buyer: Oliver Williams

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Oliver Williams 2594
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

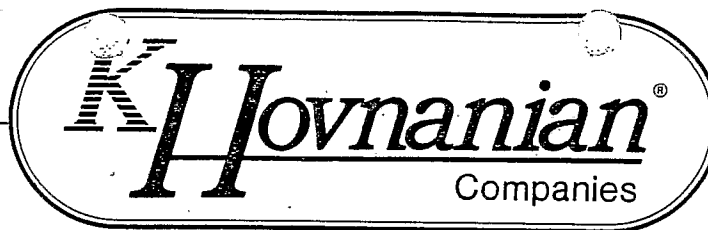
DATE

BY: Wayne Soojian

WAYNE SOOJIAN
DIRECTOR OF MARKETING AND SALES

DATE

KHOV036474



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: HURSTON
Lot: 22.19 Block: 406
Address: 49A WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$33,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.


The bank who holds our mortgage is:

Our Mortgage Account No.:

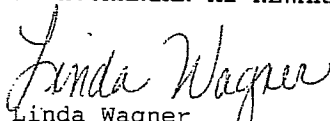
Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


INEZ HURSTON

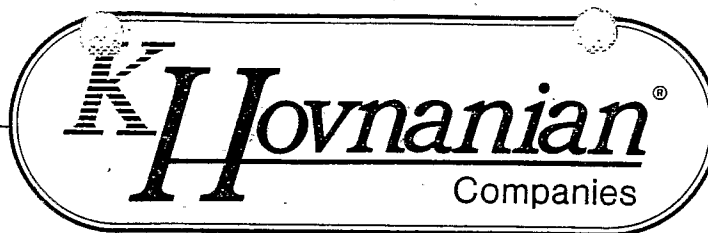
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036480



March 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
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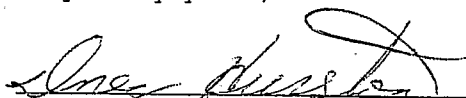
The bank who holds our mortgage is:

Our Mortgage Account No.:


Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


INEZ HURSTON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036481

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND INEZ HURSTON, UNMARRIED

the GRANTEE

about to reside at 49A WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$33,700.00
THIRTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

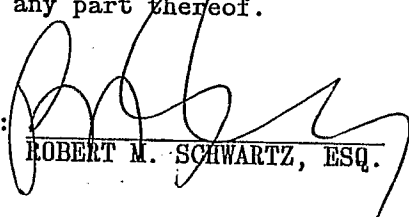
The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. J1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7R09 (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by: 
ROBERT M. SCHWARTZ, ESQ.

KHOV036501

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN
MENTIONED RESTRICTION AND ANY SALE AND VIOLATION
BE VOID AND CAUSE A REVERSION OF TITLE TO K.
RENEWAL CORPORATION III, INC., WHO, DURING THE
PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER
PURCHASER. This restriction shall be a covenant t

DATE OF CO

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AE

The Grantee promises, covenants and agrees w claiming title from, through or under the Grantee shall be subject to the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

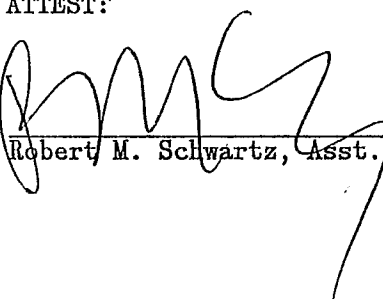
Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.19, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

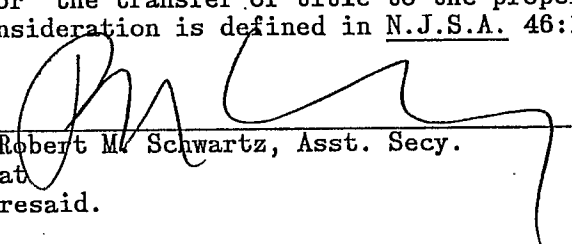
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

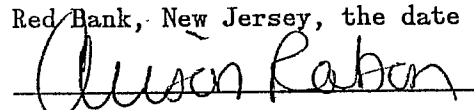
KHOV036502

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 33,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996 SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE INEZ HURSTON

GRANTEE

State of New Jersey) ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber INEZ HURSTON, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
INEZ HURSTON

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV036503

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Neeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

500 Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A

St. Paul Fire & Marine

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|--|---------------|----------------------------------|-----------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | CLAIMS MADE OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | HIRED AUTOS | | | | |
| | NON-OWNED AUTOS | | | | |
| | GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | UMBRELLA FORM | | | | AGGREGATE \$ |
| | OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | | | | |
| | A Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | A Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

CERTIFIED TO BE A TRUE COPY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: INEZ HURSTON, UNMARRIED

LOC: 49A WICKLIFFE STREET, NEWARK, NJ 07103 (22J1) LOT: 22.19 BLOCK: 406

KHOV036507

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: Linda Wagner

LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between INEZ HURSTON, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 49A WICKLIFFE STREET
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.19

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

- b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036511

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** St. Paul Fire & MarineCOMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E**

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
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|--------|--|---------------|----------------------------------|-----------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP. AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | AUTOMOBILE LIABILITY | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | | | | | COMBINED SINGLE LIMIT \$ |
| | | | | | BODILY INJURY (Per person) \$ |
| | | | | | BODILY INJURY (Per accident) \$ |
| | | | | | PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | | | | | AGGREGATE \$ |
| | | | | | |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Bldg. & Cnts | | | | |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: INEZ HURSTON, UNMARRIED

LOC: 49A WICKLIFFE STREET, NEWARK, NJ 07103 (22J1) LOT: 22.19 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

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COMPANY LETTER

A

St. Paul Fire & Marine

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COMPANY LETTER

C

COMPANY LETTER

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COMPANY LETTER

E**INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

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| | | | | | |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Bldg. & Cnts Fidelity | | | | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: INEZ HURSTON, UNMARRIED

LOC: 49A WICKLIFFE STREET, NEWARK, NJ 07103 (22J1) LOT: 22.19 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

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AUTHORIZED REPRESENTATIVE

010036000

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): INEZ HURSTON (u) of 467 CLINTON AVENUE/APT A
Tel: Res: (201) 622-5656 NEWARK
Bus: (201) 430-2706 NJ ,07108.

WILL occupy the Premises as a Frimary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.19
BLDG NO.: 22 , UNIT NO: J1 , MODEL: STH1050-GL >LOWER M.L. L

The PURCHASE PRICE : \$ 33,700.00
Consisting of:
BASE PRICE of MODEL \$ 33,700.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 07-JAN-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 07-JAN-1994
ADDITIONAL DEPOSIT \$ 11.00 BY DATE 06-FEB-1994
BALANCE at CLOSING \$ 32,689.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 33,700.00

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 08-MAR-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

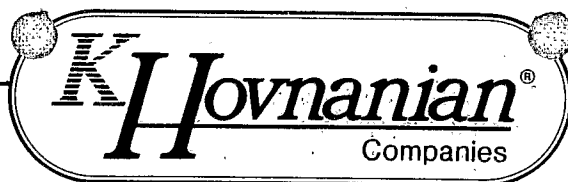
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036528



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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| 27. ATTORNEY REVIEW | 4 |

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Comm. Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 7th day of January, 1994.

Buyer: *[Signature]*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

[Signature] 1-7-94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *[Signature]* 1-14-94
WAYNE SOOJIAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV036532



MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC..
To: GAYLE
Lot: 22.20 Block: 406
Address: 49B WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$63,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

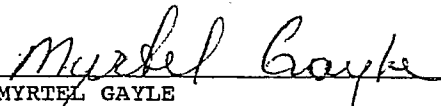
The bank who holds our mortgage is:

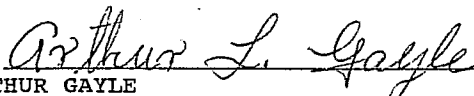
Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


MYRTEL GAYLE


ARTHUR GAYLE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



AT
UNIVERSITY
HEIGHTS III
by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036539



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: GAYLE
Lot: 22.20 Block: 406
Address: 49B WICKLIFFE STREET
NEWARK, NJ 07103

— Tax Collector
Utility of Newark
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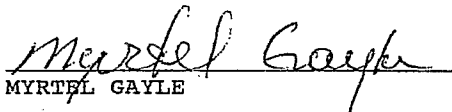
The bank who holds our mortgage is:

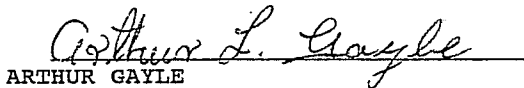
Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


MYRTEL GAYLE


ARTHUR GAYLE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036540

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND MYRTEL GAYLE, WIFE AND ARTHUR L. GAYLE, HUSBAND

the GRANTEE

about to reside at 49B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of 63,700.00
SIXTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

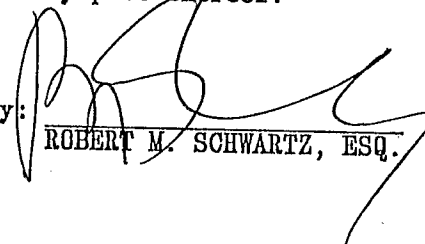
Unit No. J2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV036567

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN
MENTIONED RESTRICTION AND ANY SALE AND VIOLATION
BE VOID AND CAUSE A REVERSION OF TITLE TO K.
RENEWAL CORPORATION III, INC., WHO, DURING THE
PERIOD, MAY THEN RESELL THE PROPERTY TO ANOTHER
PURCHASER. This restriction shall be a covenant t

DATE OF CO

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The Grantee promises, covenants and agrees to claim title from, through or under the Grantee shall be subject to the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

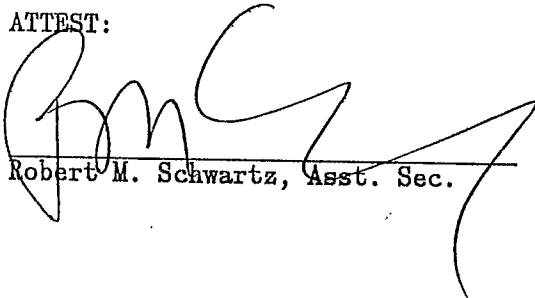
Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.20, in Block No. 406, on the tax map of the City of Newark.

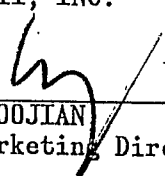
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

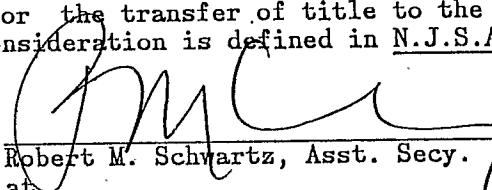
BY:


WAYNE J. SOOJIAN
Sales & Marketing Director

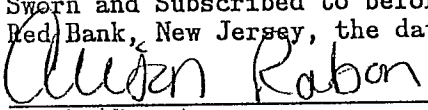
KHOV036568

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 63,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE MYRTEL GAYLE

GRANTEE ARTHUR L. GAYLE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber MYRIEL GAYLE AND ARTHUR L. GAYLE, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
MYRTEL GAYLE AND ARTHUR L. GAYLE

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BLVD.
NEWARK, NJ 07102

KHOV036569

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

INSURED

300 Hill @ University Hts. III
c/o Eastern Community Hgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|--|---------------|-------------------------------------|--------------------------------------|---|
| A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 50000
FIRE DAMAGE (Any one fire) \$ 5000
MED. EXPENSE (Any one person) \$ |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A | Other Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

MYRTEL GAYLE, WIFE AND ARTHUR L. GAYLE, HUSBAND
49B WICKLIFFE STREET, NEWARK, NJ 07103 (22J2) LOT: 22.20 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010080000

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between MYRIEL GAYLE, WIFE AND ARTHUR L. GAYLE, HUSBAND
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 49B WICKLIFFE STREET
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.20
Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036577

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker, Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Sec. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|--------------|--|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | | | | | |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| OTHER | A Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | A Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: MYRTLE GAYLE, WIFE AND ARTHUR L. GAYLE, HUSBAND
LOC: 49B WICKLIFFE STREET, NEWARK, NJ 07103 (22J2) LOT: 22.20 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCER

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21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
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NJ 07701

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| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Bldg. & Cnts | | | | |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: MYRTEL GAYLE, WIFE AND ARTHUR L. GAYLE, HUSBAND
LOC: 49B WICKLIFFE STREET, NEWARK, NJ 07103 (22J2) LOT: 22.20 BLOCK: 406

CERTIFICATE HOLDER

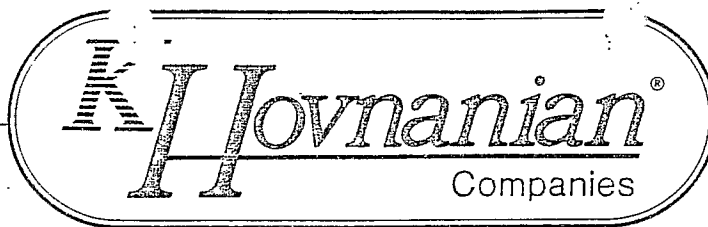
K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

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LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000



ADDENDUM TO PURCHASE AGREEMENT

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BUYER: GAYLE

BUILDING: 22 UNIT: J2

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. AGREES TO PAY TWO POINTS ON THE ABOVE REFERENCED LOAN.

A handwritten signature in ink, appearing to read 'Wayne Soojian', is written over a horizontal line.

WAYNE SOOJIAN



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036595



ADDENDUM TO PURCHASE AGREEMENT

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BUYER: GAYLE

BUILDING: 22 UNIT: J2

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC. AGREES TO PAY TWO POINTS ON THE ABOVE REFERENCED LOAN.



WAYNE SOOJIAN



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036596

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): MYRTEL GAYLE (W) of 726 LYONS AVENUE/APT 2
Tel: Res: (201) 375-3574 IRVINGTON
Bus: (201) 676-1000 NJ ,07111.

ARTHUR L GAYLE (H) of 726 LYONS AVENUE/APT 2
Tel: Res: (201) 375-3574 IRVINGTON
Bus: () NJ ,07111.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.20
BLDG NO.: 22 , UNIT NO: J2 , MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

| | | | | | |
|---------------------|---------------------|----|-----------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 11-DEC-1993 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 11-DEC-1993 |
| | ADDITIONAL DEPOSIT | \$ | 911.00 | BY DATE | 10-JAN-1994 |
| | BALANCE at CLOSING | \$ | 61,789.00 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | \$ | 63,700.00 | | |

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 09-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER) 12-23-93
DATE

Myrtel Gayle 12-18-93
(BUYER) DATE
Arthur L Gayle 12/18/93
(BUYER) DATE

(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036597



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproved of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 10, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 18th day of December, 1993.

Buyer: Myrdel Gayle

Lisa M. Weems

Buyer: Arthur L. Gayle

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Myrdel Gayle 12-18-93
BUYER DATE

Arthur L. Gayle 12/18/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: Wayne Soojian 12-23-93
WAYNE SOOJIAN, DIRECTOR OF MARKETING AND SALES DATE



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

— Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: DARGON
Lot: 22.23 Block: 406
Address: 45A WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$33,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

KRISTAL L. DARGON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036608



March 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: DARGON
Lot: 22.23 Block: 406
Address: 45A WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$33,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


KRISTAL L. DARGON

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036609

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacLean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

300 Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A St. Paul Fire & Marine
COMPANY LETTER B
COMPANY LETTER C
COMPANY LETTER D
COMPANY LETTER E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|--|---------------|-------------------------------------|--------------------------------------|---|
| A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 50000
FIRE DAMAGE (Any one fire) \$ 5000
MED. EXPENSE (Any one person) \$ |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A | OTHER
A Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

Handwritten: 2/2/94
**CERTIFIED TO BE
A TRUE COPY**

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: KRISTAL L. DARGON, UNMARRIED
LOC: 45A WICKLIFFE STREET, NEWARK, NJ 07103 (22L1) LOT: 22.23 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

0.003600

KHOV036640

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by:

Linda Wagner
LINDA WAGNER

This Mortgage made on FEBRUARY 28, 19 94 between KRISTAL L. DARGON, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 45A WICKLIFFE STREET
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.23

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:

- a) Within the restricted period starting with the date the Borrower

KHOV036645

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND KRISTAL L. DARGON, UNMARRIED

the GRANTEE

about to reside at 45A WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$33,700.00
THIRTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. L1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV036647

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN
MENTIONED RESTRICTION AND ANY SALE AND VIOLATION
BE VOID AND CAUSE A REVERSION OF TITLE TO K
RENEWAL CORPORATION III, INC., WHO, DURING THE
PERIOD, MAY THEN RESELL THE PROPERTY TO ANOT
PURCHASER. This restriction shall be a covenant

DATE OF CO

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OME

The Grantee promises, covenants and agrees claiming title from, through or under the Grantor the terms and conditions embraced in the Master Deed, the Regional Contribution Agreement entered into by the City of Newark and another municipality, if any, the Regional Contribution Agreement Administrative Procedures, the Contract for Regional Contribution Subsidy between the City of Newark and another municipality, the Contract between the City of Newark and Grantor for Award of Regional Contribution Agreement Funds and any other applicable laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

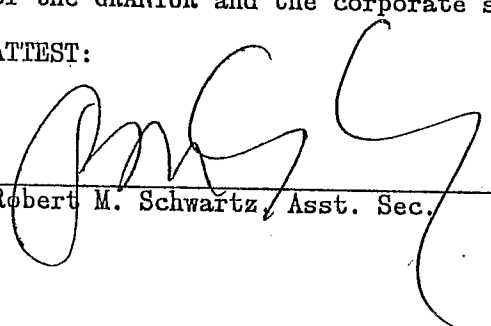
Any revesting of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.23, in Block No. 406, on the tax map of the City of Newark.

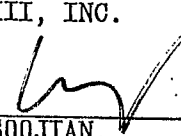
This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.


Robert M. Schwartz, Asst. Sec.

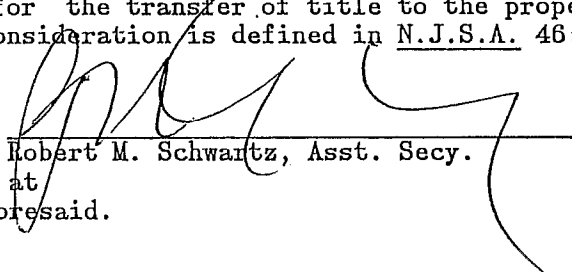
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

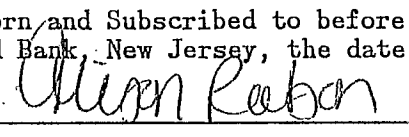
KHOV036648

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 33,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1996

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE KRISTAL L. DARGON

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber KRISTAL L. DARGON, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
KRISTAL L. DARGON

CHARGE, RECORD AND RETURN TO SABASTIAN RIO, ESQUIRE
3 SOUTH JEFFERSON STREET
ORANGE, NJ 07050

KHOV036649

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc Hill @ University Hts III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|--|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/CP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE
LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY
(Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY
(Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE—POLICY LIMIT \$ |
| | | | | | DISEASE—EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Bklt Bldg. & Cnts | | | | \$100,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: KRISTAL L. DARGON, UNMARRIED

LOC: 45A WICKLIFFE STREET, NEWARK, NJ 07103 (22L1) LOT: 22.23 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
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AUTHORIZED REPRESENTATIVE

010036000

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
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908-272-8100

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POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
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NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
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LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
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| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE—POLICY LIMIT \$ |
| | | | | | DISEASE—EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | Bldg. & Cnts | | | | |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

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OWNER: KRISTAL L. DARGON, UNMARRIED

LOC: 45A WICKLIFFE STREET, NEWARK, NJ 07103 (22L1) LOT: 22.23 BLOCK: 406

CERTIFICATE HOLDERK. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN GENEALOGY-ORR RENEMAL CORP Located at:
10 HWY 38, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): KRISTAL L. DARGON (H) of 264 CHADWICK AVENUE/2ND FLOOR
Tel: Res: (201) 242-8831 NEWARK
Bus: (201) 371-0113 NJ 07108.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.23
BLDG NO: 22 , UNIT NO: L1 , MODEL: ETH1050-G1 >LOWER M.L. L

The PURCHASE PRICE : \$ 33,700.00
Consisting of:
BASE PRICE of MODEL \$ 33,700.00

| | | | | | |
|---------------------|---------------------|----|-----------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 04-DEC-1993 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 04-DEC-1993 |
| | ADDITIONAL DEPOSIT | \$ | 11.00 | BY DATE | 03-JAN-1994 |
| | BALANCE at CLOSING | \$ | 32,689.00 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | \$ | 33,700.00 | | |

MORTGAGE AMOUNT : \$ 32,650.00 MORTGAGE CONTINGENCY DATE: 02-FEB-1994
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

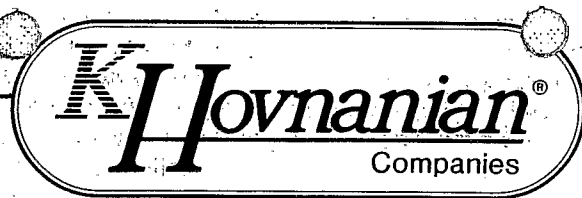
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 38, P.O. Box 500
Red Bank, NJ 07701

KHOV036671



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 4th day of December, 1993.

Buyer: 

Lisa M. Weems

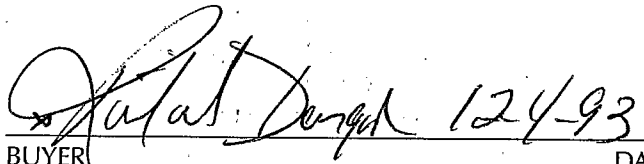
Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

 124-93
BUYER _____ DATE _____

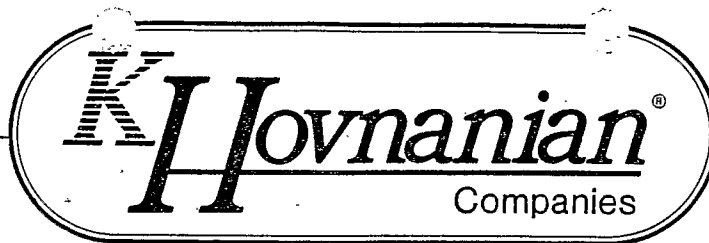
K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER _____ DATE _____

BY:  12.10.93

WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

DATE



MARCH 1, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: CLARK
Lot: 22.24 Block: 406
Address: 45B WICKLIFFE STREET
NEWARK, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Closing date: FEBRUARY 28, 1994

Deed Amount: \$63,700.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

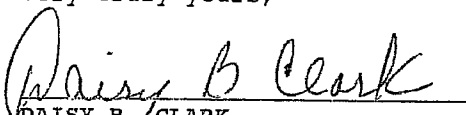
The bank who holds our mortgage is:

Our Mortgage Account No.:


Please direct all original tax and tax abatement bills to my bank and send me copies of same.

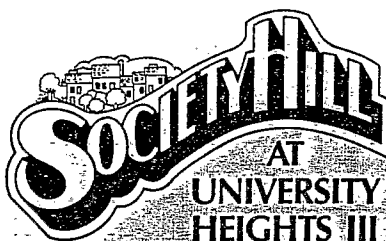
Please change your account records immediately to reflect the above.

Very truly yours,


DAISY B. CLARK

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036682

K Hovnanian[®]

Companies

MARCH 1, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

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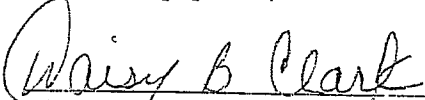
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Very truly yours,


DAISY B. CLARK

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036683

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCERMeeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.**COMPANIES AFFORDING COVERAGE**COMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701**COVERAGES**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|---|
| | GENERAL LIABILITY
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY
<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR
<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
<input type="checkbox"/> ANY AUTO
<input type="checkbox"/> ALL OWNED AUTOS
<input type="checkbox"/> SCHEDULED AUTOS
<input type="checkbox"/> HIRED AUTOS
<input type="checkbox"/> NON-OWNED AUTOS
<input type="checkbox"/> GARAGE LIABILITY | | | | COMBINED SINGLE
LIMIT \$
BODILY INJURY
(Per person) \$
BODILY INJURY
(Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
<input type="checkbox"/> UMBRELLA FORM
<input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| | OTHER
Blanket Building Contents BC02900238
Fidelity BC02900238 | | 1/01/94 | 1/01/95 | \$11,475,000
100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DAISY B. CLARK, UNMARRIED

LOC: 45B WICKLIFFE STREET, NEWARK, NJ 07103 (22L2) LOT: 22.24 BLOCK: 406

CERTIFICATE HOLDERK. HOVNIANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-------------------------------------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| | GENERAL LIABILITY | | | | |
| <input checked="" type="checkbox"/> | COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| <input type="checkbox"/> | CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | PRODUCTS-COMP/OP AGG. \$ 3000000 |
| <input type="checkbox"/> | OWNER'S & CONTRACTOR'S PROT. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | |
| <input type="checkbox"/> | ANY AUTO | | | | COMBINED SINGLE LIMIT \$ |
| <input type="checkbox"/> | ALL OWNED AUTOS | | | | BODILY INJURY (Per person) \$ |
| <input type="checkbox"/> | SCHEDULED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| <input type="checkbox"/> | HIRED AUTOS | | | | PROPERTY DAMAGE \$ |
| <input type="checkbox"/> | NON-OWNED AUTOS | | | | |
| <input type="checkbox"/> | GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | |
| <input type="checkbox"/> | UMBRELLA FORM | | | | EACH OCCURRENCE \$ |
| <input type="checkbox"/> | OTHER THAN UMBRELLA FORM | | | | AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | |
| | | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | | | | |
| <input checked="" type="checkbox"/> | Blanket Building Contents | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| <input checked="" type="checkbox"/> | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | 100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DAISY B. CLARK, UNMARRIED

LOC: 45B WICKLIFFE STREET, NEWARK, NJ 07103 (22L2) LOT: 22.24 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC.,
THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
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MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010035000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

INSURED

Soc. Hill @ University Hts. III
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| | GENERAL LIABILITY
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY
<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.
<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 300000
PRODUCTS-COMP/OP AGG. \$ 300000
PERSONAL & ADV. INJURY \$ 300000
EACH OCCURRENCE \$ 300000
FIRE DAMAGE (Any one fire) \$ 5000
MED. EXPENSE (Any one person) \$ 500 |
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<input type="checkbox"/> ANY AUTO
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BODILY INJURY
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DISEASE-EACH EMPLOYEE \$ |
| | OTHER
Blanket Building Contents
Fidelity | BC02900238
BC02900238 | 1/01/94
1/01/94 | 1/01/95
1/01/95 | \$11,475,000.
100,000 |

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THEIR SUCCESSORS AND/OR ASSIGNS,
AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG. D
EATONTOWN, NJ 07724

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AUTHORIZED REPRESENTATIVE

010036000

THIS INDENTURE
(Affordable Housing Unit)
(Site C and E)

Dated FEBRUARY 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DAISY B. CLARK, UNMARRIED

the GRANTEE

about to reside at 45B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$63,700.00
SIXTY THREE THOUSAND SEVEN HUNDRED AND .00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

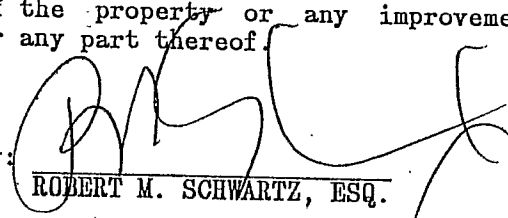
Unit No. L2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Prepared by:


ROBERT M. SCHWARTZ, ESQ.

KHOV036722

The construction of the property may be financially assisted by a subsidy as a result of a Regional Contribution Agreement. As a result, this conveyance is subject to and limited by N.J.A.C. 5:92-12; and the rules and regulations under the FAIR HOUSING ACT (N.J.S.A. 52:27D-301, et seq.). As required by law, the property is to be occupied by and remain affordable to low or moderate income purchasers for a ten (10) year period beginning from the date of completion as evidenced by the date of issuance of the Certificate of Occupancy for the property which is _____.

THIS SALE AND ANY SUBSEQUENT SALE MUST BE MADE IN ACCORDANCE WITH THE MENTIONED RESTRICTION AND ANY SALE AND VIOLATION THEREOF SHALL BE VOID AND CAUSE A REVERSION OF TITLE TO K. HOVNANIAN CORPORATION III, INC., WHO, DURING THE PERIOD, MAY THEN RESELL THE PROPERTY TO ANY OTHER PURCHASER. This restriction shall be a covenant

DATE OF CO

30VE
FALL
BANK
YEAR
HOME
i.

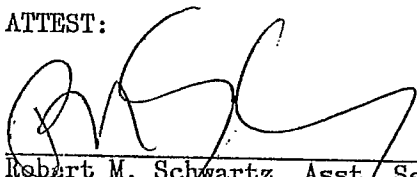
The Grantee promises, covenants and agrees to comply with all laws, rules and regulations of the New Jersey Council on Affordable Housing, the Department of Community Affairs or other bodies under the Fair Housing Act or other laws pertaining to affordable, for sale, low/moderate housing, all of which may change from time to time (and which may extend the ten year timeframe referred to herein). The terms and conditions set forth in this Deed, the aforementioned documents and agreements as well as the Second Repayment Mortgage, Second Repayment Mortgage Note and Affordable Housing Agreement to be executed by Grantee contain resale and other restrictions and shall be covenants running with the land.

Any reversioning of title shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by the agreements and documents mentioned in this Deed for the protection of the holders of such mortgage, and this provision shall remain in effect for set period of ten years, unless the City of Newark waives same.

Being also known as Lot No. 22.24, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:


Robert M. Schwartz, Asst. Sec.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

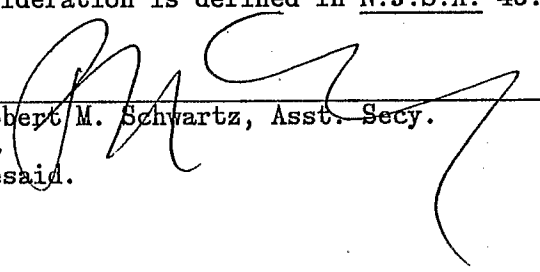
BY:


WAYNE J. SOOJIAN,
Sales & Marketing Director

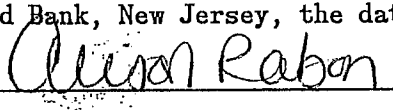
KHOV036723

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On FEBRUARY 28, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 63,700.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


ALISON RABON

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1998

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28TH day of FEBRUARY, 1994.

GRANTEE DAISY B. CLARK

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28TH day of FEBRUARY, 1994, before me, the subscriber DAISY B. CLARK, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
DAISY B. CLARK

CHARGE, RECORD AND RETURN TO PATRICIA A. HURT, ESQUIRE
16 GREEN STREET
NEWARK, NJ 07102

KHOV036724

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by:

Linda Wagner
LINDA WAGNER

This Mortgage made on FEBRUARY 28, 1994 between DAISY B. CLARK, UNMARRIED
(referred to as "Borrower") and CITY OF NEWARK (referred to as the "Authority"),
which Authority is an Instrumentality of CITY OF NEWARK (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated FEBRUARY 28, 1994. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the CITY of NEWARK
County of ESSEX and State of New Jersey, specifically described as follows:
Street Address: 45B WICKLIFFE STREET
City: NEWARK Zip: 07103 Block No.: 406 Lot No.: 22.24

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:
 - a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and
 - b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and
 - c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and
 - d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.
2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:
 - a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

KHOV036727

SUMMARY OF BASIC PROVISIONS

TC10

The SELLER: K. HOVNANIAN URBAN-RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): DAISY B CLARK (W) of 440 WASHINGTON STREET/APT 6H
Tel: Res: (201) 624-6507 NEWARK
Bus: (201) 450-2292 NJ 07102.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: DOCTERY HILL @ UNIV. HEIGHTS III ESC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.24
BLDG NO: 22 , UNIT NO: L2 , MODEL: ETH1050-UM DUFFER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1993
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1993
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 06-DEC-1993
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 61,750.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1994
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Daisy B Clark 11/6/93
(BUYER) DATE

(BUYER) DATE

(SELLER) [Signature] 11.11.93
DATE

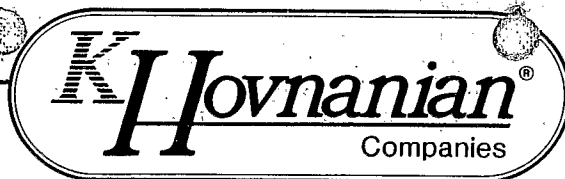
(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV036740



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 12, 1993

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 6th day of November, 1993.

Buyer: *Daisy B Clark*

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Daisy B Clark 11/6/93
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER DATE

BY: *Wayne Sochan* 11-11-93
WAYNE SOCHAN, DATE
DIRECTOR OF MARKETING AND SALES

KHOV036744

22 M1

22 M1

LOT: 22.25

43A WICKLIFFE ST.

KHOV036745

AMENDMENT TO PURCHASE AGREEMENT
BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC. SELLER AND

CARRISSA WILLIAMS

BUILDING: 22 UNIT: M1 PURCHASE AGREEMENT DATE: 9/30/95

SELLER WILL PAY 2 POINT(S) TOWARDS CLOSING ON THE ABOVE NAMED HOME,
TO TAKE PLACE BY OCTOBER 31, 1995

Carissa Williams 10/30/95
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VAN VELTHOVEN
DIRECTOR OF MARKETING AND SALES
HUDSON RIVER

KHOV036746

ZZZ

K.HOVHANNIAN BENEWARK-ORB RENEWAL CORP 111

D.S.No : 1W-22-K1

COMMUNITY : 1W - SOCIETY HILL P ORIV. HEIGHTS 111 ETC

Printed: 24 OCT-1995

BLDG NO: 22 UNIT: K1
MODEL : SCH1150-G >LO

*** DECORATOR SELECTIONS, OPTIONS & UPGRADES ***

BUYER : WILLIAMS
CONTRACT DATE: 01 OCT-1995

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | COMMENTS | PRICE |
|--------------|-------------|-------|------|-------|----------|-------|
|--------------|-------------|-------|------|-------|----------|-------|

01---APPLIANCES---

| | | | | | | |
|-------|----------------|-----------------------|-----------|--------|--------|------|
| AXX01 | WASTE DISPOSAL | DISPOSAL | HTC29K | | | 0.00 |
| AOX02 | DISHWASHER | UPGRADE 4 CYCLE | GS0950 | ALMOND | ALMOND | 0.00 |
| AEX04 | REFRIGERATOR | 105 BXS 21.6 CF 33.5 | TFX222KS | ALMOND | ALMOND | 0.00 |
| AXX01 | MICROWAVE OVEN | OVER RANGE (NON-VENT | JVM2310L | BLACK | BLACK | 0.00 |
| ARU01 | RANGE | UPGRADE SELF CLEAN | J618*24GE | ALMOND | ALMOND | 0.00 |
| ANX02 | WASHER | WASHER SUPER CAPACITY | WMA0620 | WHITE | WHITE | 0.00 |
| AYX02 | DRYER | DRYER 5 CYCLE | XYR067900 | WHITE | WHITE | 0.00 |

02---CABINETS---

| | | | | | | |
|-------|---------------------|---------------------|-------|----------------|--|------|
| KCU01 | KITCHEN CABINETS | SUBMERGIBLE (SU) | | | | 0.00 |
| KTS00 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | 030-6 | NATURAL ALMOND | | 0.00 |

03---FLOORING---

| | | | | | | |
|--------------------------------|----------------|-------|----------|------|----------|--------------|
| Zone: 01 2ND FLOOR | | | | | | |
| CARPETING | CRYSTAL VALLEY | 40 | 39.33 SY | 0711 | STARKWIT | FCC0101A04PC |
| Zone: 02 1ST FLOOR STAIRS/HALL | | | | | | |
| CARPETING | CRYSTAL VALLEY | 40 | 63 SY | 0711 | STARKWIT | FCC0102A04PC |
| Zone: 03 KITCHEN | | | | | | |
| LINOLEUM FLO | STARSTEP | 19 SY | 64501 | | | FCC0103A02FL |

Package includes UPGRADE Padding in carpeted areas

| | | | | | | |
|-------|----------------------------------|--|--|--|--|------|
| XF501 | FLOORING PACKAGES -- STD. LAYOUT | | | | | 0.00 |
|-------|----------------------------------|--|--|--|--|------|

04---SELECTIONS: INTERIOR---

| | | | | | | |
|-------|--------------|----------------------|-----------|------|--|------|
| HBU00 | BIFOLD DOORS | LIVING ROOM STORAGE | H1-BIFOLD | 4'0" | | 0.00 |
| HBU01 | BIFOLD DOORS | MASTER BEDROOM | H1-BIFOLD | 4'0" | | 0.00 |
| HBU02 | BIFOLD DOORS | BEDROOM 42 | H1-BIFOLD | 4'0" | | 0.00 |
| HBU03 | BIFOLD DOORS | 2ND FLOOR STORAGE | H1-BIFOLD | 4'0" | | 0.00 |
| HBU04 | BIFOLD DOORS | L.R. COAT CLOSET | H1-BIFOLD | 3'0" | | 0.00 |
| HBU05 | BIFOLD DOORS | 2ND FLOOR LINEN | H1-BIFOLD | 3'0" | | 0.00 |
| HBU06 | BIFOLD DOORS | STORAGE UNDER STAIRS | H1-BIFOLD | 3'0" | | 0.00 |

Please check this form for correct descriptions, including color, model numbers & totals. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : Carroll Williams GRAND TOTAL 0.00
PURCHASER :
DATE : 10/30/95

SALES REP : Sina Wynn
SALES MGR : Laurie Green Rutledge 10/25/95
CONST. MGR :
AMOUNT DUE AT CLOS 0.00

BUYERS MUST CLOSE BY 10/31/95 IN ORDER TO BE GIVEN DECORATOR SELECTIONS AT NO CHARGE.

KHOV036747

S U M M A R Y O F B A S I C P R O V I S I O N S

TC1

The SELLER: K.HOVNANIAN GENEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): CARLISRA M WILLIAMS (W) of 16 CUTLER STREET
Tel: Res: (201) 481-4050 NEWARK
Bus: (212) 581-0300 NJ , 07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: COMMUNITY: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.25
BLDG NO: 22 , HOME NO: M1 , MODEL: STH150-C >LONER

The PURCHASE PRICE : \$ 31,950.00
Consisting of:
BASE PRICE OF MODEL \$ 31,950.00

| | | | | |
|---------------------|---------------------|--------------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE | 30-SEP-1995 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE | 30-SEP-1995 |
| | ADDITIONAL DEPOSIT | \$ 1,758.50 | ON DATE | 30-OCT-1995 |
| | BALANCE at CLOSING | \$ 89,191.50 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | \$ 91,950.00 | | |

MORTGAGE AMOUNT : \$ 89,150.00 MORTGAGE CONTINGENCY DATE: 29-NOV-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

Carissa M. Williams 9/27/95
(BUYER) DATE

(BUYER) DATE

[Signature] 10-2-95
(SELLER) DATE

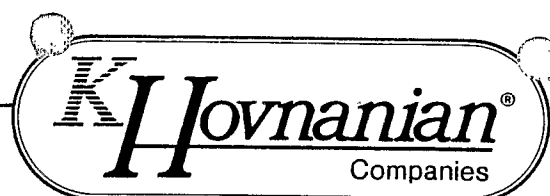
(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landaruma, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036749



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.
- If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.
15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.
16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.
17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.
18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.
19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapse for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Amos M. Williams*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BUYER

DATE

BY: *[Signature]*

DATE 10-2-15

KHOV036753



X Tax Collector
Utility of Newark
920 Broad Street, Room 104
Newark, NJ 07103

___ Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Williams
Lot: 22.25 Block: 406
Address: 43A Wickliffe Street
NEWARK, NJ 07103

Closing date: 10/30/95

Deed Amount: \$91,950.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is: K. HOVNANIAN MORTGAGE CORP.

Our Mortgage Account No.:


Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


Carrissa M. Williams

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Shelly L. Bigams
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036765

K Hovnanian[®]

Companies

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Williams
Lot: 22.25 Block: 406
Address: 43A Wickliffe Street
NEWARK, NJ 07103

____ Tax Collector
Utility of Newark
920 Broad Street, Room 104
Newark, NJ 07103

Closing date: 10/30/95

Deed Amount: \$91,950.00

Certificate of
Occupancy date: 10/30/95

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.


The bank who holds our mortgage is: **K. HOVNANIAN MORTGAGE**

Our Mortgage Account No.:

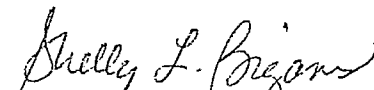
Please direct all original tax and tax abatement bills to my bank and send me copies of same.

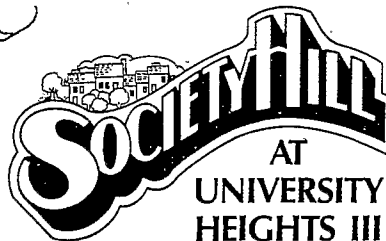
Please change your account records immediately to reflect the above.

Very truly yours,


Carrissa M. Williams

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Shelly L. Bigams
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036766

THIS INDENTURE
(Site C and E)

Dated OCTOBER 30, 1995

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND CARRISSA WILLIAMS (UNMARRIED)

the GRANTEE

about to reside at 43A WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$91,950.00

NINETY ONE THOUSAND NINE HUNDRED FIFTY AND 00/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. M1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.25, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

BY:

LAURA VANVELTHOVEN,
Sales Manager

Robert M. Schwartz, Asst. Sec.

Prepared by:

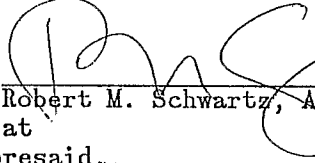
ROBERT M. SCHWARTZ, ESQ.

KHOV036784

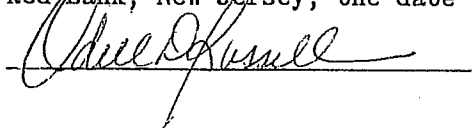
STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On OCTOBER 30, 19 95 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by LAURA VANVELTHOVEN,

Sales Manager of the GRANTOR; he signed this Deed to attest to the signing of the Deed by LAURA VANVELTHOVEN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 91,950.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid



ODELL D. RUSSELL
Notary Public of New Jersey
My Commission Expires 11/1/99

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 30TH day of OCTOBER, 19 95.

GRANTEE CARRISSA WILLIAMS

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 30TH day of OCTOBER, 19 95, before me, the subscriber CARRISSA WILLIAMS, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to
CARRISSA WILLIAMS

CHARGE, RECORD AND RETURN TO

CARL MARSHALL, ESQUIRE

125 BROAD STREET, SUITE 911

ELIZABETH, NJ 07201

KHOV036785

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc.Hill @ University Hts. III
C/O Alan R. Trachtenberg
One Cornerstone Lane
Newark
NJ 07103

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

| | | |
|----------------|---|------------------------|
| COMPANY LETTER | A | St. Paul Fire & Marine |
| COMPANY LETTER | B | |
| COMPANY LETTER | C | |
| COMPANY LETTER | D | |
| COMPANY LETTER | E | |

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|---|---------------|----------------------------------|-----------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/95 | 1/01/96 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 5000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 5000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/95 | 1/01/96 | \$21,775,000. |
| | Bldg. Bldgs & Cnts | | | | \$100,000. |
| A | Fidelity | BC02900238 | 1/01/95 | 1/01/96 | |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: CARRISSA M. WILLIAMS, (UNMARRIED)

LOCATION: 43A WICKLIFFE STREET, NEWARK, NJ 07103 (22M) LOT:22.25 BLOCK:406

CERTIFICATE HOLDER

K. HOWANIAN MORTGAGE, INC., THEIR SUCCESSORS AND/OR ASSIGNS, AS THEIR INTEREST MAY APPEAR ONE INDUSTRIAL WAY WEST, BLDG.D EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE

Brian C. [Signature]

010036000

KHOV036793

| ACORD. CERTIFICATE OF INSURANCE | | | | | <small>ISSUE DATE (MM/DD/YY)</small>
<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> |
|---|-----------------------------------|----------------------|--|--|--|
| PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100 | | | THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. | | |
| INSURED

Soc.Hill @ University Hts.III
C/O Alan R. Trachtenberg
One Cornerstone Lane
Newark
NJ 07103 | | | COMPANIES AFFORDING COVERAGE | | |
| | | | COMPANY LETTER A St. Paul Fire & Marine | | |
| | | | COMPANY LETTER B | | |
| | | | COMPANY LETTER C | | |
| | | | COMPANY LETTER D | | |
| COMPANY LETTER E | | | | | |
| COVERAGES
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. | | | | | |
| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
| A
<input checked="" type="checkbox"/> GENERAL LIABILITY
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY
<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR.
<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/95 | 1/01/96 | GENERAL AGGREGATE | \$ 5000000 |
| | | | | PRODUCTS-COMP/OP AGG. | \$ 5000000 |
| | | | | PERSONAL & ADV. INJURY | \$ 5000000 |
| | | | | EACH OCCURRENCE | \$ 5000000 |
| | | | | FIRE DAMAGE (Any one fire) | \$ 50000 |
| | | | | MED. EXPENSE (Any one person) | \$ 5000 |
| AUTOMOBILE LIABILITY
<input type="checkbox"/> ANY AUTO
<input type="checkbox"/> ALL OWNED AUTOS
<input type="checkbox"/> SCHEDULED AUTOS
<input type="checkbox"/> HIRED AUTOS
<input type="checkbox"/> NON-OWNED AUTOS
<input type="checkbox"/> GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT | \$ |
| | | | | BODILY INJURY (Per person) | \$ |
| | | | | BODILY INJURY (Per accident) | \$ |
| | | | | PROPERTY DAMAGE | \$ |
| | | | | | |
| EXCESS LIABILITY
<input type="checkbox"/> UMBRELLA FORM
<input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE | \$ |
| | | | | AGGREGATE | \$ |
| | | | | | |
| WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS | |
| | | | | EACH ACCIDENT | \$ |
| | | | | DISEASE-POLICY LIMIT | \$ |
| | | | | DISEASE-EACH EMPLOYEE | \$ |
| A
A | OTHER
Bkt. Bldgs & Cnts | BC02900238 | 1/01/95 | 1/01/96 | \$21,775,000. |
| | Fidelity | BC02900238 | 1/01/95 | 1/01/96 | \$100,000. |
| DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
OWNER: CARRISSA M. WILLIAMS, (UNMARRIED)
LOCATION: 43A WICKLIFFE STREET, NEWARK, NJ 07103 (22M) LOT:22.25 BLOCK:406 | | | | | |
| CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC., THEIR SUCCESSORS
AND/OR ASSIGNS, AS THEIR INTEREST MAY APPEAR
ONE INDUSTRIAL WAY WEST, BLDG.D
EATONTOWN, NJ 07724 | | | CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES | | |
| | | | AUTHORIZED REPRESENTATIVE | | |
| | | | 010036000 | | |
| ACORD 25-S (7/90) © ACORD CORPORATION 1990 | | | | | |

KH0V036804

K Hovnanian[®]

Companies

APRIL 29, 1994

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: COACHMAN
Lot: 22.26 Block: 406
Address: 43B WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: APRIL 28, 1994

Deed Amount: \$103,613.95

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:


Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,


ALFREDA E. COACHMAN

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036828

K Hovnanian[®]

Companies

APRIL 29, 1994

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: COACHMAN
Lot: 22.26 Block: 406
Address: 43B WICKLIFFE STREET
NEWARK, NJ 07103

Closing date: APRIL 28, 1994

Deed Amount: \$103,613.95

Certificate of
Occupancy date: 04-20-94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:


Please direct all original tax and tax abatement bills to my bank and send me copies of same.

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Very truly yours,


ALFREDA E. COACHMAN

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.


Linda Wagner
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036829

THIS INDENTURE
(Site C and E)

Dated APRIL 28, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND ALFREDA E. COACHMAN, UNMARRIED

the GRANTEE

about to reside at 43B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$103,613.95

ONE HUNDRED THREE THOUSAND SIX HUNDRED THIRTEEN AND .95/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. M2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7REQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.26, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

BY:

WAYNE J. SOOJIAN,
Sales & Marketing Director

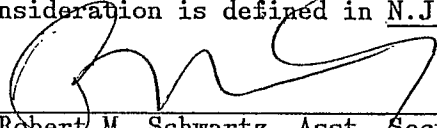
KHOV036857

Prepared by:

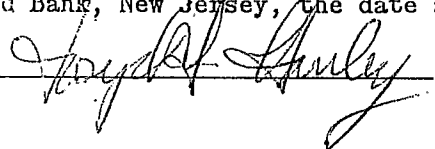
ROBERT M. SCHWARTZ, ESQ.

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On APRIL 28, ²⁸19⁹⁴ Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 103,613.95.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 28 ²⁸day of APRIL, 1994.

GRANTEE ALFREDA E. COACHMAN

GRANTEE

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 28 ²⁸day of APRIL, 1994, before me, the subscriber ALFREDA E. COACHMAN, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____

ALFREDA E. COACHMAN

CHARGE, RECORD AND RETURN TO

BARBARA DANIELS, ESQUIRE
111 MULBERRY STREET/APT 1H
NEWARK, NJ 07102

KHOV036858

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

04/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

308-272-8100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGECOMPANY
LETTER A

St. Paul Fire & Marine

COMPANY
LETTER BCOMPANY
LETTER CCOMPANY
LETTER DCOMPANY
LETTER E

INSURED Soc. Hill @ University Hts. III
1/3 Eastern Community Mgmt
215 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|--|---------------|-------------------------------------|--------------------------------------|---|
| A | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE OCCUR.
OWNER'S & CONTRACTOR'S PROT. | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 3000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 50000
FIRE DAMAGE (Any one fire) \$ 5000
MED. EXPENSE (Any one person) \$ |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| A | Other Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ALFREDA E. COACHMAN, UNMARRIED

LOC: 43B WICKLIFFE STREET, NEWARK, NJ 07103 (22M2) LOT: 22.26 BLOCK: 406

CERTIFICATE HOLDER

PNC MORTGAGE CORPORATION OF AMERICA,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILL, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

04/28/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

| | | |
|----------------|---|------------------------|
| COMPANY LETTER | A | St. Paul Fire & Marine |
| COMPANY LETTER | B | |
| COMPANY LETTER | C | |
| COMPANY LETTER | D | |
| COMPANY LETTER | E | |

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|---|---------------------------|----------------------------------|-----------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| | OTHER | A Bldg. & Cnts BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| | A Fidelity BC02900238 | | | | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ALFREDA E. COACHMAN, UNMARRIED

LOC: 43B WICKLIFFE STREET, NEWARK, NJ 07103 (22M2) LOT: 22.26 BLOCK: 406

CERTIFICATE HOLDER

PNC MORTGAGE CORPORATION OF AMERICA,
ITS SUCCESSORS AND/OR ASSIGNS
P.O. BOX 8111
VERNON HILL, IL 60061

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

04/28/04

PRODUCER

Meeker, Sharkey & MacBearn
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

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COMPANIES AFFORDING COVERAGECOMPANY
LETTER **A**

St. Paul Fire & Marine

COMPANY
LETTER **B**COMPANY
LETTER **C**COMPANY
LETTER **D**COMPANY
LETTER **E****INSURED**

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

COVERAGES

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CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
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| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-------------------------------------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| | GENERAL LIABILITY | | | | |
| <input checked="" type="checkbox"/> | COMMERCIAL GENERAL LIABILITY | BC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000 |
| | CLAIMS MADE <input type="checkbox"/> OCCUR | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | OWNER'S & CONTRACTOR'S PROT. | | | | PERSONAL & ADV. INJURY \$ 3000000 |
| | | | | | EACH OCCURRENCE \$ 3000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY | | | | |
| | ANY AUTO | | | | COMBINED SINGLE LIMIT \$ |
| | ALL OWNED AUTOS | | | | BODILY INJURY (Per person) \$ |
| | SCHEDULED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | HIRED AUTOS | | | | PROPERTY DAMAGE \$ |
| | NON-OWNED AUTOS | | | | |
| | GARAGE LIABILITY | | | | |
| | EXCESS LIABILITY | | | | |
| | UMBRELLA FORM | | | | EACH OCCURRENCE \$ |
| | OTHER THAN UMBRELLA FORM | | | | AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS \$ |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE—POLICY LIMIT \$ |
| | | | | | DISEASE—EACH EMPLOYEE \$ |
| | OTHER | | | | |
| A | Bldg. & Cnts | BC02900238 | 1/01/94 | 1/01/95 | \$11,475,000. |
| A | Fidelity | BC02900238 | 1/01/94 | 1/01/95 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: ALFREDA E. COACHMAN, UNMARRIED

LOC: 43B WICKLIFFE STREET, NEWARK, NJ 07103 (22M2) LOT: 22.26 BLOCK: 406

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LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: M2

The Purchase Agreement between Alfreda E. Coachman BUYER(S)

BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 105,168.95
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 102,186.46
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 98,800.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 103,613.95.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

3/1/94

BUYER

Alfreda E. Coachman

BUYER

BUYER

SELLER CORPORATION:

BY:

Wayne Soojian
WAYNE SOOJIAN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036889

OK

ADDENDUM TO DECORATOR SELECTION
AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. Hovnanian at Newark Urban Renewal
Corporation III, Inc., Seller; and

ALFREDA E. COAKHMAN

_____, Buyer.

UNIT M2, BLDG. 22

PURCHASE AGREEMENT, DATED: 2/24/97

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to 752.65

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

[Signature]

DATE _____

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

"BUYER"

Alfreda E. Coakman

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): ALFREDA E. COACHMAN of 130 SOUTH 8TH STREET
Tel: Res: (201) 623-1497 NEWARK
Bus: (201) 733-7045 NJ 07107.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.26
BLDG NO.: 22 , UNIT NO: M2 , MODEL: STH1150-U >UPPER

The PURCHASE PRICE : \$101,950.00
Consisting of:
BASE PRICE of MODEL \$101,950.00

| | | | | |
|---------------------|---------------------|--------------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE | 24-FEB-1994 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE | 24-FEB-1994 |
| | ADDITIONAL DEPOSIT | \$ 2,058.50 | BY DATE | 26-MAR-1994 |
| | BALANCE at CLOSING | \$ 98,891.50 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | \$101,950.00 | | |

MORTGAGE AMOUNT : \$ 98,800.00 MORTGAGE CONTINGENCY DATE: 25-APR-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036891



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this ____ day of _____, 199__.

Buyer: Alfreda E. Coachman

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Alfreda E. Coachman
BUYER _____ DATE _____

BUYER _____ DATE _____

BY: Wayne Soojian 5.1.94
WAYNE SOOJIAN, _____ DATE _____
DIRECTOR OF MARKETING AND SALES

KHOV036895

SUMMARY OF BASIC PROVISIONS

IC16

The SELLER: R. HOVNANIAN GENEARK-URE RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): ALFREDA E. COACHMAN (u) of 130 SOUTH 8TH STREET
Tel: Res: (201) 623-1497 NEWARK
Bus: (201) 733-6446 NJ 07107.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.11
BLDG NO.: 22 , UNIT NO: F1 , MODEL: STN1150-G >LOWER

The PURCHASE PRICE : \$ 96,950.00
Consisting of:
BASE PRICE of MODEL \$ 96,950.00

| | | | | |
|---------------------|---------------------|--------------|-------------------------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE | 14-AUG-1993 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE | 14-AUG-1993 |
| | ADDITIONAL DEPOSIT | \$ 1,908.50 | BY DATE | 13-SEP-1993 |
| | BALANCE at CLOSING | \$ 94,041.50 | PAID by CERTIFIED CHECK | |
| | Total PAYMENT | \$ 96,950.00 | | |

MORTGAGE AMOUNT : \$ 94,000.00 MORTGAGE CONTINGENCY DATE: 13-OCT-1993
Estimated COMPLETION DATE: 15-DEC-1993
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

R. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Alfreda E. Coachman 8/14/93
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

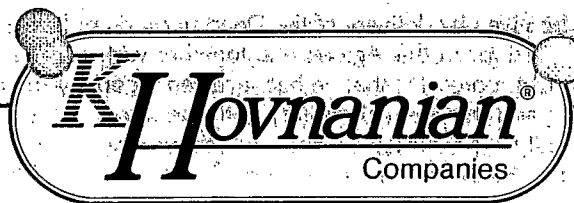
(SELLER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreavey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV036896



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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| 27. ATTORNEY REVIEW | 4 |

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title; Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

JOSEPH A. ZEMAITIS, JR.

State of New Jersey) ss.
County of Essex)

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 6, 1996

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 14 day of August, 1993.

Buyer: Alfreda E. Coachman

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Alfreda E. Coachman

8/14/93
DATE

BUYER: _____ DATE: _____

BY: Wayne Soojian
DIRECTOR OF MARKETING AND SALES
8/16/93
DATE

KHOV036899

AMENDMENT TO PURCHASE AGREEMENT

Building No.: 22

Unit No.: F1

The Purchase Agreement between ALFREDA E. COACHMAN BUYER(S)

_____ BUYER(S)

and K. HOVNANIAN AT NEWARK III, INC. SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 9/20/93.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 99,416.30
2. THE DEPOSITS PAID ARE INCREASED TO \$ 2,982.49
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 96,433.81
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 91,600.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 97,861.30
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

9-20-93
DATE

Alfreda E. Coachman
BUYER

BUYER

BUYER

SELLER CORPORATION

BY: W

WAYNE HOVNANIAN

NJ NORTH DIRECTOR OF SALES &
MARKETING

KHOV036900

K Hovnanian[®]

Companies

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Gentry
Lot: 22.27 Block: 406
Address: 41A Wickliffe Street
NEWARK, NJ 07103

Closing date: 10/31/94
Deed Amount: \$104,644.00

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban Renewal Corporation III, Inc. to the above purchasers. Closing of title took place on the above date.

The bank who holds our mortgage is:

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Jonathan Gentry
Jonathan Gentry

Donavon Soumas
Donavon Soumas

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Kelly Higgins
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036921

K Hovnanian[®]

Companies

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

____ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Gentry
Lot: 22.27 Block: 406
Address: 41A Wickliffe Street
NEWARK, NJ 07103

Closing date: 10/31/94

Deed Amount: \$104,644.00

Certificate of
Occupancy date: 10/14/94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is: K. HOVNANIAN MORTGAGE Co.

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Jonathan Gentry
Jonathan Gentry

Donovan Soumas
Donovan Soumas

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Kelly Higgins
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV036922

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

Meeker Sharkey & MacLean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc. Hill @ University Hts. III
c/o Eastern Community Mgmt
225 Highway 35
Red Bank
NJ 07701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

| | |
|------------------|------------------------|
| COMPANY LETTER A | St. Paul Fire & Marine |
| COMPANY LETTER B | |
| COMPANY LETTER C | |
| COMPANY LETTER D | |
| COMPANY LETTER E | |

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------|--|--------------------------|----------------------------------|-----------------------------------|---|
| A X | GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
CLAIMS MADE X OCCUR.
OWNER'S & CONTRACTOR'S PROT. | EC02900238 | 1/01/94 | 1/01/95 | GENERAL AGGREGATE \$ 5000000
PRODUCTS-COMP/OP AGG. \$ 5000000
PERSONAL & ADV. INJURY \$ 3000000
EACH OCCURRENCE \$ 3000000
FIRE DAMAGE (Any one fire) \$ 50000
MED. EXPENSE (Any one person) \$ 5000 |
| | AUTOMOBILE LIABILITY
ANY AUTO
ALL OWNED AUTOS
SCHEDULED AUTOS
HIRED AUTOS
NON-OWNED AUTOS
GARAGE LIABILITY | | | | COMBINED SINGLE LIMIT \$
BODILY INJURY (Per person) \$
BODILY INJURY (Per accident) \$
PROPERTY DAMAGE \$ |
| | EXCESS LIABILITY
UMBRELLA FORM
OTHER THAN UMBRELLA FORM | | | | EACH OCCURRENCE \$
AGGREGATE \$ |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS
EACH ACCIDENT \$
DISEASE-POLICY LIMIT \$
DISEASE-EACH EMPLOYEE \$ |
| | OTHER
A Bldg Bldg. & Cmts
A Fidelity | EC02900238
EC02900238 | 1/01/94
1/01/94 | 1/01/95
1/01/95 | \$11,475,000. ALL RISK
\$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: JONATHAN H. GENTRY, UNMARRIED AND DONAVON P. SCUMAS, UNMARRIED
LOC: 41A WICKLIFFE ST. 22 NL, NEWARK, NJ 07103 (22NL) LOT: 22.27 BLOCK: 406

CERTIFICATE HOLDER

K. HOVNANIAN MORTGAGE, INC., THEIR
SUCCESSORS AND/OR ASSIGNS, AS THEIR INTERESTS
MAY APPEAR
ONE INDUSTRIAL WAY WEST
EATONTOWN, NJ 07724

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

KHOV036945

(Site C and E)

Dated OCTOBER 31, 1994

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND JONATHAN GENTRY AND DONAVON SOUMAS, UNMARRIED

the GRANTEE

about to reside at 41A WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of —(\$104,644.00)— ONE HUNDRED FOUR THOUSAND SIX HUNDRED FORTY-FOUR AND NO CENTS _____ Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. N1, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.27, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.

Robert M. Schwartz, Asst. Sec.

~~BY:~~

WAYNE J. SOOJIAN,
Sales & Marketing Director

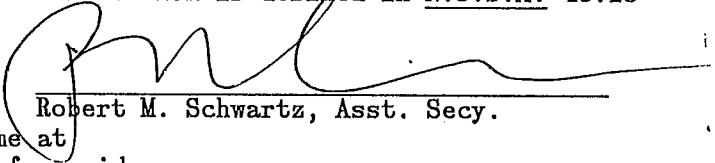
Prepared by:

ROBERT M. SCHWARTZ, ESQ.

KHOV036953

STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On OCTOBER 31,, 1994 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by WAYNE J. SOOJIAN, Sales & Marketing Director of the GRANTOR; he signed this Deed to attest to the signing of the Deed by WAYNE J. SOOJIAN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$104,644.00.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 31 day of OCTOBER, 1994.

GRANTEE JONATHAN GENIRY

GRANTEE DONAVON SCUMAS

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 31 day of OCTOBER, 1994, before me, the subscriber _____, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
JONATHAN GENIRY AND DONAVON SCUMAS

CHARGE, RECORD AND RETURN TO

PATRICIA A. HURT, ESQ.

16 GREEN STREET, 3RD FLR., NEWARK, NJ 07103

KHOV036954

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Jonathan H. Gentry

Donavon P. Soumas, BUYER

UNIT N1, BUILDING 22, PURCHASE AGREEMENT DATE 8/13/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

X Jonathan H. Gentry 8/27/94
BUYER DATE

X Donavon P. Soumas 8/27/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV036964

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22

UNIT: N1

The Purchase Agreement Between Jonathan H. Gentry, BUYER(S)

Donavon P. Souma, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 8/13/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 104,644.00
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,644.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 100,500.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 104,644.00.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

8/27/94
DATE

x Jonathan H. Gentry
BUYER
x Donavon P. Souma
BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV036965

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP Ilocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JONATHAN H GENTRY (u) of 381 BROAD STREET/1308A
Tel: Res: (201) 481-7612 NEWARK
Bus: () - NJ ,07104.

DONAVON P SOUMAS (u) of 381 BROAD STREET/1308A
Tel: Res: (201) 481-7612 NEWARK
Bus: () - NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.27
BLDG NO.: 22 , UNIT NO: N1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

| | | | | |
|---------------------|---------------------|--------------|---------|-----------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE | 13-AUG-1994 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE | 13-AUG-1994 |
| | ADDITIONAL DEPOSIT | \$ 2,118.50 | BY DATE | 12-SEP-1994 |
| | BALANCE at CLOSING | \$100,831.50 | PAID by | CERTIFIED CHECK |
| | Total PAYMENT | \$103,950.00 | | |

MORTGAGE AMOUNT : \$100,800.00 MORTGAGE CONTINGENCY DATE: 12-OCT-1994
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

[Signature] 8/10/94
(SELLER) DATE

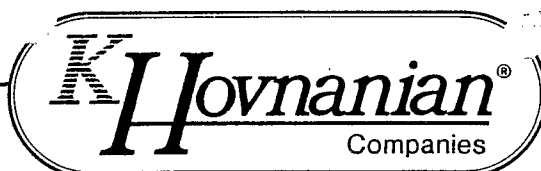
* Jonathan H. Gentry 8/13/94
(BUYER) DATE
* Donavon P. Soumas 8/13/94
(BUYER) DATE

(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036969



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: Jonathan H. Senty

Buyer: Donavon P. Soumar

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER Jonathan H. Senty 8/13/94 DATE

BUYER Donavon P. Soumar 8/13/94 DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature] 8/13/94 DATE

KHOV036973

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 22 UNIT: N2

The Purchase Agreement Between DEBRA W. SMITH, BUYER(S)
ROSA A. SOSA, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 2/24/95.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 116,608.70
2. THE DEPOSITS PAID ARE INCREASED TO \$ 5,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 111,608.70
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 113,100.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 114,998.70
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

3/3/95

BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

LAURA VANVELTHOVEN

KHOV036975

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND
DEBRA W. SMITH

ROSA A. SOSA

_____, BUYER

UNIT N2, BUILDING 22, PURCHASE AGREEMENT DATE 2/24/95

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH FIRST TOWN MORTGAGE CORPORATION IF BUYER
SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER
BY MARCH 31, 1995; SELLER WILL CONTRACT WITH AND PAY AT CLOSING.

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Debra Smith 3/3/95
BUYER DATE

[Signature] 3/3/95
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: _____

LAURA VANVELTHOVEN
DIRECTOR OF MARKETING AND SALES
HUDSON RIVER

KHOV036976

XXX

K.ROMANIAN ENDPARK-URB REMEDIAL CORP III

D.S.No : 15-22-M2

PROJECT : IN - SOCIETY (HLL & UNIV. BELGUIS III ETC

Printed: 23-MAR-1995

BLDG NO: 22 UNIT: N2
MODEL : 5TH1330-U YUP

AAA DECORATOR SELECTIONS, OPTIONS & UPGRADES AAA

BUYER : SMITH
CONTRACT DATE: 06-NOV-1994

| SELECTION-NO | DESCRIPTION | MODEL | SIZE | COLOR | QUANTITY | PRICE |
|---|--------------------------------------|----------------------|------------|-----------|----------------|-----------------------|
| 01---APPLIANCES--- | | | | | | |
| ABX01 | DISHWASHER | 1ST LEVEL 3 CYCLE | 660500 | 24" | ALMOND | 200.00 |
| AEX02 | REFRIGERATOR | 19.1 CF REFRIGERATOR | TXC19PAS | 19.1CU FT | ALMOND | 120.00 |
| AMX01 | MICROWAVE OVEN | OVER RANGE (NON-VENT | JUM731B | BLACK | BLACK | 405.00 |
| ARU01 | RANGE | UPGRADE SELF CLEAN | JHPF34GE | ALMOND | ALMOND | 175.00 |
| AWX01 | WASHER | WASHER 16 CAPACITY | WMA1600 | WHITE | WHITE | 435.00 |
| AYX01 | DRYER | DRYER - 4 CYCLE | XTS0005980 | WHITE | WHITE | 355.00 |
| 02---CABINETS--- | | | | | | |
| KCU01 | KITCHEN CABINETS | SUMMITHILL (50) | | | | 160.00 |
| KT300 | KITCHEN COUNTERTOPS | STANDARD COUNTERTOP | | 830-6 | NATURAL ALMOND | 0.00 |
| 03---FLOORING--- | | | | | | |
| Zone: 01 | 2ND FLOOR CARPETING | CRYSTAL VALLEY | 40 | 61.67 SY | 1442 | TEAL TOUCH FCC0101A04 |
| Zone: 02 | 1ST FLOOR STAIR/HALL CARPETING | CRYSTAL VALLEY | 40 | 65.67 SY | 1442 | TEAL TOUCH FCC0102A04 |
| Zone: 03 | KITCHEN/ENTRY LINOLEUM FLOORING | DESIGNER | | 17.67 SY | 09271 | FLC0103A03 |
| Package includes UPGRADE Flooring in carpeted areas | | | | | | |
| XPS01 | FLOORING PACKAGES -- STANDARD LAYOUT | | | | | 2770.70 |
| 04---SELECTIONS: INTERIOR--- | | | | | | |
| AB500 | BIFOLD DOORS | LINEN | STN BIFOLD | 2'0" | | 0.00 |
| ABU01 | BIFOLD DOORS | DR, LEFT HI-BIFOLD | HI-BIFOLD | 3'0" | | 200.00 |
| ABU02 | BIFOLD DOORS | DR, RIGHT HI-BIFOLD | HI-BIFOLD | 3'0" | | 200.00 |
| MS302 | SLIDER DOORS | BR 12 STD SLIDER | STD SLIDER | 4'0" | | 0.00 |
| MSU01 | SLIDER DOORS | MSTR BR HI-SLIDER | HI-SLIDER | 3'0" | | 150.00 |

0.00

Please check this form for correct descriptions, including color, model numbers & details. All selections must be complete and must be considered final. Options and upgrades shall be paid for with a minimum of 10% at signing and the balance at closing. Terms may vary if options are financed. Seller reserves the right to substitute materials and equipment with items of comparable value. THIS SELECTION IS PART OF THE PURCHASE AGREEMENT.

PURCHASER : [Signature]
PURCHASER : [Signature]
DATE : 3/5/95

GRAND TOTAL \$ 6630.70
Incl. Mortg. Set \$ 4750.70

AMOUNT DUE NOW \$ 0.00
NOT PAID

SALES REP : [Signature]
SALES REP : [Signature] 3-6-95
CONST. MGR : [Signature] 3/7/95

AMOUNT DUE AT CLOSE \$ 6630.70

6658.70

KHOV036977

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: R. HOVNANIAN GUTMARK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
Tel: Res: (201) 434-5290 JERSEY CITY
Bus: (212) 746-5221 NJ , 07304.

ROSA A SOSA (M) of 5704 HUDSON AVENUE/APT 7
Tel: Res: (201) 869-1791 WEST NEW YORK
Bus: (212) 631-7373 NJ , 07093.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III LLC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.2B
BLDG NO.: 22 , UNIT NO: B2 , MODEL: SMH1330-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
BALANCE at CLOSING \$108,950.00 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

R. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

John Smith 2/24/95
(BUYER) DATE
Rosa Sosa 2/24/95
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

[Signature] 2/28/95
(SELLER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV036978

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. **SITE VISITS**—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. **PREOCCUPANCY INSPECTION**—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. **CHANGES IN PRICE**—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. **MORTGAGE CONTINGENCY**—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *Debra Smith*

Buyer: *Donna Jones*

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Debra Smith 8/24/95
BUYER DATE

Donna Jones 8/24/95
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *[Signature]* 22890
DATE

KHOV036982

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): DEBRA W SMITH (M) of 377 PACIFIC AVENUE
Tel: Res: (201) 434-5290 JERSEY CITY
Bus: (212) 746-5221 NJ 07304.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 22.28
BLDG NO.: 22 , UNIT NO: N2 , MODEL: STH1330-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 06-NOV-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 06-NOV-1994
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 06-DEC-1994
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 05-JAN-1995
Estimated COMPLETION DATE: 15-FEB-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

11-10-94
DATE

* Debra Smith 11/6/94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV036983

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance restrictions preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: *John Smith*

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

John Smith 11/6/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: *[Signature]* 11-10-94
DATE

KHOV036987

THIS INDENTURE
(Site C and E)

Dated MAY 31, 1995

BETWEEN K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., A Corporation of the State of New Jersey, whose main office is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey, the GRANTOR

AND DEBRA W. SMITH (MARRIED), ROSA A. SOSA (MARRIED)

the GRANTEE

about to reside at 41B WICKLIFFE STREET, NEWARK, NJ 07103

The GRANTOR grants, sells, conveys and transfers ownership of the property described below to GRANTEE for the sum of \$114,998.70
ONE HUNDRED FOURTEEN THOUSAND, NINE HUNDRED NINETY-EIGHT AND 70/100 Dollars.

The property is located in the City of Newark, County of Essex and State of New Jersey and is legally described as:

Unit No. N2, in Building No. 22, and the right to use a portion of the Limited Common Elements for parking of motor vehicles as assigned to the Unit in the Master Deed all within Society Hill at University Heights Condominium III together with an undivided 0.1964 percent interest in the Common Elements appurtenant thereto as may be amended from time to time as phases are added to the condominium, in accordance with and subject to the terms, limitations, conditions, covenants, restrictions, and other provisions of the Master Deed of Society Hill at University Heights Condominium III dated 12/20/90 and recorded on 12/21/90, in the Office of the Clerk of Essex County in Deed Book 5151, Page 509, et. seq., as amended from time to time. The conveyance evidenced by this Deed is made under the provisions of and is subject to the New Jersey Condominium Act (N.J.S.A. 46: B-1 et seq.), and the Planned Real Estate Full Disclosure Act (N.J.S.A. 45:22A-21 et seq.), both as amended; and any applicable regulations adopted under either law. The grantee's right, title and interest in this Property and the use, sale and resale of this property are also subject to the terms, conditions, restrictions, limitations and provisions set forth hereto and as further set forth in the Affordable Unit provisions of the Master Deed for Society Hill at University Heights III and all exhibits to same.

The GRANTOR promises the GRANTEE that Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that Grantor has not allowed anyone else to obtain any legal rights which affect the property.

The Grantee is subject to the terms and conditions in the Financial Agreement, entered into with the City of Newark and grantor of on or about September 16, 1992 and the Municipal Resolution of the City of Newark No. 7RBQ (A.S.) adopted September 16, 1992 which confers a limited tax abatement on this property. The Grantee by accepting this Deed acknowledges that the Grantee has received from the Grantor a true copy of the aforementioned Financial Agreement and Municipal Resolution; the originals of which may be examined by the Grantee in the Office of the Clerk of the City of Newark during regular working days and hours.

The Grantee, its successors and assigns shall devote the property only to and in accordance with the uses specified in the University Heights Redevelopment Plan until December 31, 2038; and Grantee, its successors and assigns shall not discriminate on the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of any part of the property or any improvements erected or to be erected thereon, or any part thereof.

Being also known as Lot No. 22.28, in Block No. 406, on the tax map of the City of Newark.

This Deed has been signed and attested to by the appropriate officers of the GRANTOR and the corporate seal of the GRANTOR is affixed.

ATTEST:

Robert M. Schwartz, Asst. Sec.

Prepared by:

ROBERT M. SCHWARTZ, ESQ.

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY:

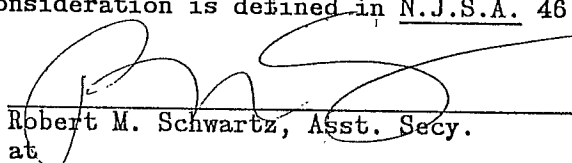
LAURA VANVELTHOVEN,
Sales Manager

KHOV036998

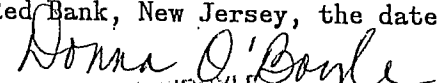
STATE OF NEW JERSEY: ss
COUNTY OF MONMOUTH :

On MAY 31, 19 95 Robert M. Schwartz, personally appeared before me and he acknowledged under oath that: he is the Assistant Secretary of K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., the GRANTOR in this Deed; that he knows the proper seal of the GRANTOR and it is affixed to this Deed; this Deed was signed by LAURA VANVELTHOVEN,

Sales Manager of the GRANTOR; he signed this Deed to attest to the signing of the Deed by LAURA VANVELTHOVEN; the Deed was signed and delivered by the GRANTOR as its voluntary act, which act was properly authorized by the Board of Directors of GRANTOR; he is signing this Certification to affirm the truthfulness of what has been set forth; and the full and actual consideration paid or to be paid for the transfer of title to the property described in this Deed, as such consideration is defined in N.J.S.A. 46:15-5, is \$ 114,998.70.


Robert M. Schwartz, Asst. Secy.

Sworn and Subscribed to before me at
Red Bank, New Jersey, the date aforesaid.


DONNA O'BOYLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 3, 1997

SPECIFIC POWER OF ATTORNEY

I, the above named GRANTEE, do hereby irrevocably name, make, appoint, constitute and confirm K. Hovnanian at Newark Urban Renewal Corporation III, Inc., a corporation of the State of New Jersey, whose main office is 10 Highway 35, P.O. Box 500, Red Bank, New Jersey, and its assigns and successors, my true and lawful Attorney-in-Fact for me for those specific and limited purposes as set forth in the Master Deed of Society Hill at University Heights Condominium III, and for me in my name, place and stead, execute any such amendment(s) to the Master Deed and other instrument(s) necessary to effect the purposes set forth in the Master Deed, its amendments and its exhibits with the same force and effect as though I were present and acting for myself and I hereby ratify and confirm all that my said attorney-in-fact shall do by virtue hereof. This Power of Attorney shall not be affected by the fact that I might become incompetent hereafter, but shall remain in full force and effect. In the event there is more than one Grantee, all references to the singular shall be deemed to be plural.

In witness whereof, I hereunto set my hand this 31ST day of MAY, 1995.

GRANTEE DEBRA W. SMITH

GRANTEE ROSA A. SOSA

State of New Jersey)ss:
County of ESSEX)

Be it remembered, that on this 31ST day of MAY, 1995, before me, the subscriber DEBRA W. SMITH ROSA A. SOSA, personally appeared the above named GRANTEE(S), who, I am satisfied (is)(are) the person(s) named in and who executed the within Instrument, and thereupon acknowledged that the Instrument was signed, sealed and delivered as a voluntary act and deed for the uses and purposes herein expressed.

NOTARY PUBLIC

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC. to _____
DEBRA W. SMITH / ROSA A. SOSA

CHARGE, RECORD AND RETURN TO LISA HENDRICKS-RICHARDSON, ESQUIRE
535 DR. MARTIN LUTHER KING, JR. BOULEVARD
NEWARK, NJ 07102

KHOV036999

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

12/29/94

PRODUCER

Meeker Sharkey & MacBean
21 Commerce Drive
Cranford, NJ 07016

908-272-8100

INSURED

Soc.Hill @ University Hts.III
1 Cornerstone Lane
Newark

NJ

07103

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER

A

St. Paul Fire & Marine

COMPANY
LETTER

B

COMPANY
LETTER

C

COMPANY
LETTER

D

COMPANY
LETTER

E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO
LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE
DATE (MM/DD/YY) | POLICY EXPIRATION
DATE (MM/DD/YY) | LIMITS |
|-----------|---|---------------|-------------------------------------|--------------------------------------|---------------------------------------|
| A | GENERAL LIABILITY | BC02900238 | 1/01/95 | 1/01/96 | GENERAL AGGREGATE \$ 5000000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | PRODUCTS-COMP/OP AGG. \$ 5000000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. | | | | PERSONAL & ADV. INJURY \$ 5000000 |
| | <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. | | | | EACH OCCURRENCE \$ 5000000 |
| | | | | | FIRE DAMAGE (Any one fire) \$ 50000 |
| | | | | | MED. EXPENSE (Any one person) \$ 5000 |
| | | | | | |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE \$ |
| | <input type="checkbox"/> UMBRELLA FORM | | | | AGGREGATE \$ |
| | <input type="checkbox"/> OTHER THAN UMBRELLA FORM | | | | |
| | WORKER'S COMPENSATION
AND
EMPLOYERS' LIABILITY | | | | STATUTORY LIMITS |
| | | | | | EACH ACCIDENT \$ |
| | | | | | DISEASE-POLICY LIMIT \$ |
| | | | | | DISEASE-EACH EMPLOYEE \$ |
| A | OTHER | BC02900238 | 1/01/95 | 1/01/96 | \$21,775,000. |
| A | Bldg. Bldgs & Cnts
Fidelity | | | | |
| | | BC02900238 | 1/01/95 | 1/01/96 | \$100,000. |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

OWNER: DEBRA W. SMITH (MARRIED) AND ROSA A. SOSA (MARRIED)

LOC: 41B WICKLIFFE STREET, NEWARK, NJ 07103 (22N2) LOT:22.28 BLOCK:406

CERTIFICATE HOLDER

FIRST TOWN MORTGAGE CORPORATION AND/OR
SECRETARY OF HOUSING AND
URBAN DEVELOPMENT, ITS SUCCESSORS, AND/OR
ASSIGNS AS THEIR INTERESTS MAY APPEAR
400 INTERSTATE NORTH PARKWAY
SUITE 1100
ATLANTA, GA. 30339

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

010036000

ACORD 25-S (7/90)

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KH0V037008

K Hovnanian[®]

Companies

X Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

___ Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Smith
Lot: 22.28 Block: 406
Address: 41B Wickliffe Street
NEWARK, NJ 07103

Closing date: 5/31/95

Deed Amount: \$114,998.70

Certificate of
Occupancy date: 7/19/94

Gentlemen:

The above described property was sold by K. Hovnanian at Newark Urban
Renewal Corporation III, Inc. to the above purchasers. Closing of title
took place on the above date.

The bank who holds our mortgage is: FIRST TOWN MORTGAGE CORPORATION

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and
send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Debra Smith
Debra Smith

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Shelly L. Bigams
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037032

K Hovnanian[®]

Companies

X Tax Collector
Utility of Newark
970 Broad Street
Newark, NJ 07103

Office of Tax Abatement
and Special Taxes
920 Broad Street
Room B-26
Newark, NJ 07103

Re: K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.
To: Smith
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NEWARK, NJ 07103

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The bank who holds our mortgage is: FIRST TOWN MORTGAGE CORPORATION

Our Mortgage Account No.:

Please direct all original tax and tax abatement bills to my bank and send me copies of same.

Please change your account records immediately to reflect the above.

Very truly yours,

Debra Smith
Debra Smith

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Shelly L. Bigams
Closing Assistant



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037033

SUMMARY OF BASIC PROVISIONS

IC30

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY 07701.
 (U)
 The BUYER(S): M GERMAN of 231 Elmwood Ave RO. BOX 1360
 Tel: Res: (201) 761-0535 Maplewood, NJ 07040
 Bus: (201) 596-5292

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 23.01
 PLNG NO.: 23 , UNIT NO: A1 , MODEL: STH1330-C >LOWER

The PURCHASE PRICE : \$ 93,950.00
 Consisting of:
 BASE PRICE of MODEL \$ 93,950.00

The PAYMENT TERMS :
 INITIAL DEPOSIT \$ 0.00 ON DATE 15-MAR-1995
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 15-MAR-1995
 ADDITIONAL DEPOSIT \$ 1,818.50 BY DATE 14-APR-1995
 BALANCE at CLOSING \$ 91,131.50 PAID by CERTIFIED CHECK
 Total PAYMENT: \$ 93,950.00

MORTGAGE AMOUNT : \$ 90,662.00 MORTGAGE CONTINGENCY DATE: 14-MAY-1995
 Estimated COMPLETION DATE: 31-APR-1995
 DV-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O. Box 500
 Red Bank, NJ 07701

KHOV037132

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.

County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: L M German

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature]

DATE

KHOV037133

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.



REMEMBER:
Sign everywhere you
see this "Check".

DATE: 4/6/95

LOAN NUMBER:

APPLICANT(S): Latina German

ADDRESS: 74 Cullen Ct. Newark, N.J.

FHA/VA #:

AMENDATORY CLAUSE

It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration, or a Direct Endorsement lender setting forth the appraised value of the property of not less than \$ 93,950.

The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation.

The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development or the U.S. Department of Veterans Affairs Loan Guaranty Service or Division (whichever is appropriate) will insure. HUD does not warrant the value nor the condition of the property. The purchaser should satisfy himself/herself that the price and the condition of the property are acceptable.

CERTIFICATION

We, the undersigned, the Seller(s), the Buyer(s) and the Broker(s) involved in this transaction each certify that the terms of the contract for purchase dated 3/15/95 are true to our best knowledge and belief, and that any other agreement entered into by any of these parties in connection with this transaction is attached to the Agreement of Sale.

✓ Latina M German 4/6/95
(Purchaser) (Date)

✓ _____
(Purchaser) (Date)

✓ _____
(Purchaser) (Date)

✓ _____
(Purchaser) (Date)

✓ [Signature] 4-10-95
(Seller) (Date)

✓ _____
(Seller) (Date)

✓ _____
(Realtor) (Date)

KHOV037137



SUMMARY OF BASIC PROVISIONS

The SELLER:

K. Hovnanian at
Newark Urban Renewal
Corporation II, Inc.

Located at:
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

The BUYER(S):

La Tina M. Germain (u) of 231 Elmwood Ave. P.O. Box
Maplewood, NJ 07040
(201) 761-0535 (201) 596-5292 ZIP
Telephone: 761-0535 Res. 596-5292 Work

of

ZIP

Telephone: _____ Res. _____ Work

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title.

The PROPERTY: PROJECT : Society Hill at University Heights II, Newark, NJ

BLDG. NO.: 23, UNIT NO.: A-1, MODEL: STH 1330 (Patio)

THE PURCHASE PRICE:

\$ 93,950.00
Consisting of:
BASE PRICE of MODEL: \$ 93,950.00
and Premiums:

_____\$ _____
_____\$ _____
_____\$ _____
_____\$ _____

The PAYMENT TERMS:

INITIAL DEPOSIT \$ 1,000.00 ON DATE 03-13 19 95
ON SIGNING CONTRACT \$ 0,000.00 BY DATE 03-20 19 95
ADDITIONAL DEPOSIT \$ 2,288.00 BY DATE 04-13 19 95
and the BALANCE of \$ 90,662.00 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$ 93,950.00

MORTGAGE AMOUNT:

\$ 90,662.00 MORTGAGE CONTINGENCY DATE 04-13 19 95
ESTIMATED COMPLETION DATE 04-13 19 95
MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X La Tina M. Germain 3/13/95
(BUYER) DATE

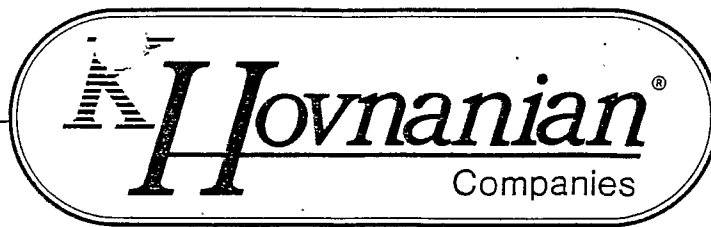
K. Hovnanian at Newark Urban
Renewal Corporation II, Inc.

KHOV037143

(BUYER) DATE

(RECEIVED)

DATE



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG/UNIT: 23 A1 MODEL: 1330 G.

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3/15/95, 199⁵ I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Loring M German 3/15/95
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037147

gub
AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Cordelia Gregory

_____, BUYER

UNIT 23, BUILDING A2, PURCHASE AGREEMENT DATE 11/19/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH FIRST TOWN MORTGAGE CORPORATION; IF BUYER
SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER
BY JANUARY 31, 1995; SELLER WILL CONTRACT WITH AND PAY AT CLOSING.

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Cordelia Gregory 12/3/94
BUYER DATE

BUYER

DATE

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]

LAURA VANVELTHOVEN
SALES MANAGER

KHOV037179

gub
AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Cordelia Gregory

_____, BUYER

UNIT 23, BUILDING A2, PURCHASE AGREEMENT DATE 11/17/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH FIRST TOWN MORTGAGE CORPORATION; IF BUYER
SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER
BY JANUARY 31, 1995; SELLER WILL CONTRACT WITH AND PAY AT CLOSING.

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

x Cordelia Gregory 12/3/94
BUYER DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: _____

LAURA VANVELTHOVEN
SALES MANAGER

KHOV037181

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: A2

The Purchase Agreement Between Cordelia Gregory, BUYER(S)
_____, BUYER(S)

and K. HOVNIANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER
is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 11/19/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,592.08
2. THE DEPOSITS PAID ARE INCREASED TO \$ 5,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 95,592.08
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 94,950.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 100,592.08
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

x 12/3/94
DATE

x Cordelia Gregory
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: _____
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037182

SLB

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: A2

The Purchase Agreement Between Cordelia Gregory, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 11/19/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 100,592.08
2. THE DEPOSITS PAID ARE INCREASED TO \$ 5,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 95,592.08
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 94,950.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 100,592.08
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

2 12/3/94
DATE

X Cordelia Gregory
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037183



SUMMARY OF BASIC PROVISIONS

The SELLER: K. Hovnanian at
Newark Urban Renewal
Corporation II, Inc. Located at:
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701
Telephone: (201) 747-7800

The BUYER(S): Cordelia Gregory of 8 Monticello Ave
Newark, NJ 07106
(201) 371-6465 (Res.) (98) 248-2155 (Work)
ZIP
Telephone: _____ Res. _____ Work _____

BUYER(S) (WILL) (WILL NOT) occupy the Premises as their Primary Residence upon closing of title.

The PROPERTY: PROJECT : Society Hill at University Heights II, Newark, NJ

BLDG. NO.: 23, UNIT NO.: A2, MODEL: STA 1330-4

THE PURCHASE PRICE: \$ 99,950.00
Consisting of:
BASE PRICE of MODEL: \$ 99,950.00
and Premiums:

The PAYMENT TERMS: INITIAL DEPOSIT \$ 1,000.00 ON DATE 11-19, 1994
ON SIGNING CONTRACT \$ — BY DATE —, 19—
ADDITIONAL DEPOSIT \$ 4,000.00 BY DATE 12-19, 1994
and the BALANCE of \$ 94,950.00 PAID BY CERTIFIED CHECK

TOTAL PAYMENT \$ 99,950.00
MORTGAGE AMOUNT: \$ 94,950.00 MORTGAGE CONTINGENCY DATE January 3, 1995
ESTIMATED COMPLETION DATE January 27, 1995
MONTH DAY YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS"—PURCHASE AGREEMENT" attached.

X Cordelia Gregory 11/19/94
(BUYER) DATE

K. Hovnanian at Newark Urban
Renewal Corporation II, Inc.

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

SELLER

DATE

KHOV037184

Execution of both this Summary and the attached "TERMS AND CONDITIONS—PURCHASE AGREEMENT" is required.

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will)(will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: Cordelia Gregory

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

x Cordelia Gregory 11/19/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: [Signature] 11-21-94
DATE

prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

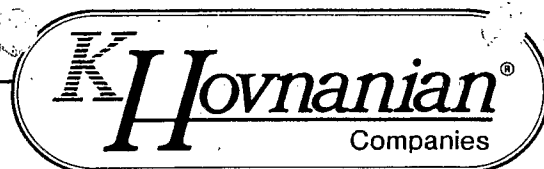
15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank; 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.



KHOV037199



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG/UNIT: 23A2 MODEL: STH 1330 U

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on _____, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

| | |
|-------|-------|
| _____ | _____ |
| BUYER | DATE |
| | |
| _____ | _____ |
| BUYER | DATE |
| | |
| _____ | _____ |
| BUYER | DATE |
| | |
| _____ | _____ |
| BUYER | DATE |



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037201

S U M M A R Y O F B A S I C P R O V I S I O N S

FC10

The SELLER: K.HOVNANIAN NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): ERIC M. FORTSON (W) of 121 SHEPARD AVENUE
TEANECK
NJ , 07666.
Tel: Res: (201) 837-8022
Bus: (201) 961-1352

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY, PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.03
WEG NO.: 23 , UNIT NO: N1 , MODEL: STH1050-GM DOWER M.L. M

The PURCHASE PRICE : \$ 61,200.00
Consisting of:
BASE PRICE OF MODEL \$ 61,200.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 01-OCT-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 01-OCT-1994
ADDITIONAL DEPOSIT \$ 836.00 BY DATE 31-OCT-1994
BALANCE AT CLOSING \$ 59,364.00 PAID BY CERTIFIED CHECK
Total PAYMENT \$ 61,200.00

MORTGAGE AMOUNT : \$ 59,350.00 MORTGAGE CONTINGENCY DATE: 30-NOV-1994
Estimated COMPLETION DATE: 01-APR-1994
BY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc

(SELLER)

DATE 10/3/94

(BUYER)

DATE 10-1-94

(BUYER)

DATE

(BUYER)

DATE

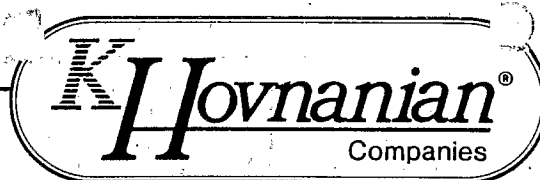
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV037238



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

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3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction will (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Buyer: X E. M. Fort

Buyer: _____

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

X E. M. Fort 10-1-94
BUYER DATE

BUYER DATE

BY: [Signature] 10/3/94
DATE

KHOV037242

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K. HOVNANIAN (NEWARK-URB-RENEWAL CORP.) Located at: 10 HWY 35, P.O. BOX 500
NEWARK, NEW JERSEY 07701.
The BUYER(S): ROEVENIA PARKER (W) of 719 MARTIN LUTHER KING BLVD, #403
NEWARK, NEW JERSEY 07102.
Tel: Res: (201) 643-0209
Bus: (201) 733-4788
133-5811

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO. 406, LOT NO: 23.04
BLDG NO: 23, UNIT NO: B2, MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE: \$ 63,700.00
Consisting of: BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS: INITIAL DEPOSIT \$ 0.00 ON DATE 15-MAR-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 15-MAR-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 14-APR-1994
BALANCE at CLOSING \$ 61,789.00 PAID BY CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT \$ 60,600.00 MORTGAGE CONTINGENCY DATE: 03-MAY-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation/III, Inc.

X Ms. Roenia Parker 3-15-94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

NOTICE TO PURCHASER

THE RIGHT TO CANCEL THIS CONTRACT OR REFUND BY SENDING OR DELIVERING WRITTEN NOTICE TO THE DEVELOPER BY MAIL BY THE FIFTH CALENDAR DAY FOLLOWING THE DATE OF CLOSING. ALL MONIES PAID SHALL BE REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN, INC. (NEWARK-URB-RENEWAL CORP.)
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701 (201) 643-0209

KHOV037277

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP. Located at: 10 HWY 35, P.O. BOX 500
REDE BANK, NEW JERSEY 07701.
The BUYER(S): ROEVENIA PARKER (W) of 719 MARTIN LTHR. KING BLVD, #403
NEWARK, NJ 07102.
Tel: Res: (201) 543-0209
Bus: (201) 733-4788

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406, LOT NO: 23.04
BLDG NO: 23, UNIT NO: B2, MODEL: STH1050-UM >UPPER M.L. M

The PURCHASE PRICE: \$63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00

The PAYMENT TERMS: INITIAL DEPOSIT \$0.00 ON DATE 15-MAR-1994
ON SIGNING CONTRACT \$1,000.00 ON DATE 15-MAR-1994
ADDITIONAL DEPOSIT \$911.00 BY DATE 14-APR-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT \$ 60,600.00 MORTGAGE CONTINGENCY DATE: 03-MAY-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation/III, Inc.
DATE: 3/25/94

X Ms. Roevenia Parker 3-15-94
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE
(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

NOTICE TO PURCHASERS
THE RIGHT TO CANCEL THIS CONTRACT FOR ANY REASON, WITHOUT SENDING OR DELIVERING ANY NOTICE OF CANCELLATION TO BE DEVELOPED BY A CANCELLATION CALENDAR DAY FOR CANCELLATION IS EXECUTED IMMEDIATELY AND ALL SPENDING PAID SHALL BE IN THEIR ENTIRETY.

K. HOVNANIAN REDE BANK URBAN RENEWAL CORP.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NJ 07701 (908) 733-4788

KHOV037278

SUMMARY OF BASIC PROVISIONS

1015

The SELLER: K. HOVNANIAN ON NEWARK-URB RENEWAL CORP. Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): PARKER ROUVENIA (u) of 718 MARTIN LTHR. BLVD., #403
Tel: Res: (201) 843-0209 NEWARK
Bus: (201) 733-4788 NJ 07102.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 23.04
BLDG NO: 23 UNIT NO: 02 MODEL: 5TH1050-UM UPPER M.L. M

The PURCHASE PRICE : \$ 63,700.00
Consisting of:
BASE PRICE of MODEL \$ 63,700.00
The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 04-MAR-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 04-MAR-1994
ADDITIONAL DEPOSIT \$ 911.00 BY DATE 03-APR-1994
BALANCE at CLOSING \$ 61,789.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 63,700.00

MORTGAGE AMOUNT : \$ 60,600.00 MORTGAGE CONTINGENCY DATE: 03-MAY-1994
Estimated COMPLETION DATE: 01-APR-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

X Ms. Rouvenia Parker 3494
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV037279



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: PARKER BLDG/UNIT: 23 B2 MODEL: SH1050

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 3-4-94, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

X [Signature] BUYER 3-15-94 DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037281

ADDENDUM TO DECORATOR SELECTION

AMENDMENT TO PURCHASE AGREEMENT

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Valencia C. Emanuel

_____, Buyer.

UNIT: 23 BLDG.: C1 PURCHASE AGREEMENT DATE: 4/6/94

(1) Seller will give a credit to Buyer at the closing to be taken from the Total Purchase Price of the Unit and Decorator Selections equal to \$ 42,780.

(2) This credit program is available only to Buyers of Units within certain buildings comprising Society Hill at University Heights III a Condominium (chosen at Seller's discretion) and to those Buyers who sign Purchase Agreements and Decorator Selection Riders and who close title or otherwise comply with this addendum.

DATE 5/5/94

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

DATE 5/2/94

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

"BUYER"

X Valencia Emanuel

KHOV037285

ADDENDUM TO PURCHASE AGREEMENT
(BUYDOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC., Seller, and

Valencia C. Emanuel

_____, Buyer.

UNIT: C1 BLDG.: 23 PURCHASE AGREEMENT DATE: 4/6/94

The Terms and Conditions-Purchase Agreement executed as set forth above is hereby amended as follows:

(1) Within ten (10) business days of a fully executed copy of the Purchase Agreement, the Buyer shall apply for an application for mortgage with K. Hovnanian Mortgage Co., Inc.; if Buyer subsequently closes with the mortgage and closes title with Seller by May 31, 1994; Seller will contract with and pay at closing:

(a) A dollar amount sufficient to fund a temporary buydown, for the benefit of the Buyer, which will provide an interest rate of two (2) percentage points below what the interest rate would otherwise be at the time of Buyer's closing on the mortgage, and by one (1) percentage point below what the interest rate would otherwise be for the second year of the Buyer's mortgage. In the third and following years, Buyer's mortgage will be at the interest rate in effect at the time of closing on same.

(2) Where the terms of this amendment and the contract of sale conflict, this amendment shall prevail.

x Valencia Emanuel
BUYER

4/6/94
DATE

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

BY: 

LAURA VANVELTHOVEN
SALES MANAGER

KHOV037287

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: C1

The Purchase Agreement Between Valencia C. Emanuel, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 4/6/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 104,422.78
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,014.78
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 103,408.00
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 99,250.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED
WILL BE \$ 104,422.78

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED
MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL
BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE
PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED
BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED
MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE
AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN
PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

4/6/94
DATE

[Signature]
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: [Signature]

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV037288

SUMMARY OF BASIC PROVISIONS

IC15

The SELLER: K.HOVNANIAN GENEWORK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): VALENCIA C EMANUEL (u) of 3534 TRYON
Tel: Res: (718) 654-1043 BRONX
Bus: () NY ,10467.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.05
BLDG NO.: 23 , UNIT NO: C1 , MODEL: SCH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

| | | | | | |
|---------------------|---------------------|--------------|-------------------------|---------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ | 0.00 | ON DATE | 06-APR-1994 |
| | ON SIGNING CONTRACT | \$ | 1,000.00 | ON DATE | 06-APR-1994 |
| | ADDITIONAL DEPOSIT | \$ | 2,118.50 | BY DATE | 06-MAY-1994 |
| | BALANCE at CLOSING | \$100,831.50 | PAID by CERTIFIED CHECK | | |
| | Total PAYMENT | \$103,950.00 | | | |

MORTGAGE AMOUNT : \$101,600.00 MORTGAGE CONTINGENCY DATE: 05-JUN-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc

(BUYER) DATE 4/6/94

(BUYER) DATE

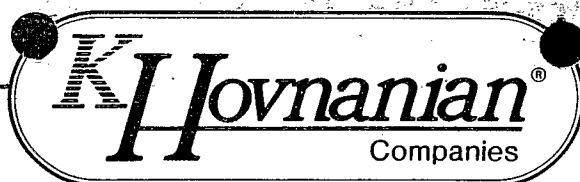
(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarawa, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV037305



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.J.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

- 6. POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
- 7. BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
- 8. CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
- 9. FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
- 10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
- 11. LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
- 12. DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
- 13. SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
- 14. INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment; then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn.

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss:
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 6 day of April, 1994.

Buyer: X Valencia Emanuel

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

X Valencia Emanuel 4/6/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY: [Signature]

4/14/94
DATE

KHOV037309



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: BLDG/UNIT: 23C1 MODEL: STH 1330 G

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on 4/6/94, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

X [Signature] 4/6/94
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037313

CJB

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: C2

The Purchase Agreement Between Oswald S. Francis, BUYER(S)
Rardi S. Francis, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/30/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 117,453.70
2. THE DEPOSITS PAID ARE INCREASED TO \$
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 117,453.70
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 113,960.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 115,238.70
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

9-3-94

X
BUYER

X
BUYER

Rardi Francis

BUYER

SELLER CORPORATION:

BY:

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV037359

CJB

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: C2

The Purchase Agreement Between Oswald S. Francis, BUYER(S)
Randi S. Francis, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/30/94.

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DATE

9-3-94

BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV037360

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: C2

The Purchase Agreement Between Oswald S. Francis, BUYER(S)

Randi S. Francis, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

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7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

9-3-94

X
BUYER

X
BUYER

BUYER

SELLER CORPORATION:

BY:

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV037363

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Oswald S Francis

Rand S Francis

, BUYER

UNIT 03, BUILDING 53, PURCHASE AGREEMENT DATE 7/30/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH K. HOVNIANIAN MORTGAGE, INC.; IF BUYER SUBSEQUENTLY
CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER
31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

x [Signature]
BUYER

DATE

8/19/94

x Rand Francis
BUYER

DATE

8/19/94

K. HOVNIANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]

LAURA VANVELTHOVEN
SALES MANAGER

KHOV037372

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN GNEWARK-URB RENEWAL CORP Ilocated at:
 10 HWY 35, P.O. BOX 500
 RED BANK
 NEW JERSEY , 07701.

The BUYER(S): OSWALD S FRANCIS (H) of 130 FENIMORE STREET/APT 51
 Tel: Res: (718) 941-4794 BROOKLYN
 Bus: (212) 621-7801 NY ,11225.

RANDI L FRANCIS (W) of 130 FENIMORE STREET/APT 51
 Tel: Res: (718) 941-4794 BROOKLYN
 Bus: () - NY ,11225.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
 NEWARK, NEW JERSEY.
 BLOCK NO: 406 , LOT NO: 23.06
 BLDG NO.: 23 , UNIT NO: C2 , MODEL: STH1330-U >UPPER

The PURCHASE PRICE : \$109,950.00
 Consisting of:
 BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 30-JUL-1994
 ON SIGNING CONTRACT \$ 1,000.00 ON DATE 30-JUL-1994
 ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 29-AUG-1994
 BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK

Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$106,650.00 MORTGAGE CONTINGENCY DATE: 28-SEP-1994
 Estimated COMPLETION DATE: 01-APR-1994
 DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
 Urban Renewal Corporation III, Inc.

(BUYER) Randi Francis 7/30/94
 (BUYER) Randi Francis 7/30/94
 (BUYER) Randi Francis 7/30/94
 (BUYER) Randi Francis 7/30/94

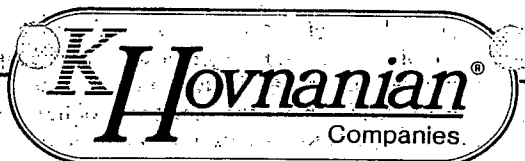
(SELLER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
 Attn: H. Michael McGreevey
 10 Highway 35, P.O.Box 500
 Red Bank, NJ 07701

KHOV037382



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months' estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 30th day of July, 1994.

Buyer: 

Lisa M. Weems

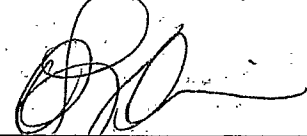
Buyer: Randi Francis

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.



BUYER

DATE

7/30/94

Randi Francis

BUYER

DATE

7/30/94

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BY: 

DATE

8/2/94

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY, NJ 07701.

The BUYER(S): OSWALD S FRANCIS (H) of 130 FENIMORE STREET/APT 51
Tel: Res: (718) 941-4794 BROOKLYN
Bus: (212) 621-7801 NY 11225.

RANDI L O S I FRANCIS (W) of 130 FENIMORE STREET/APT 51
Tel: Res: (718) 941-4794 BROOKLYN
Bus: () - NY 11225.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
BLOCK NO: 406 LOT NO: 23.06
BLDG NO: 23 UNIT NO: C2 MODEL: STH1330-U >UPPER

The PURCHASE PRICE: \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS:
INITIAL DEPOSIT \$ 0.00 ON DATE 30-JUL-1994
SIGNING CONTRACT \$ 1,000.00 ON DATE 30-JUL-1994
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 29-AUG-1994
DECBALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT: PREC \$106,650.00 MORTGAGE CONTINGENCY DATE: 28-SEP-1994
CHANGES IN PRICE Estimated COMPLETION DATE: 01-APR-1994
MORTGAGE CONTINGENCY DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. S. Hovnanian at Newark Urban Renewal Corporation III, Inc. (BUYER) RANDI FRANCIS 7/30/94
DATE

1. DEPOSITS - All deposits shall be held in escrow in (BUYER) at University Heights III E&C Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event escrow be released prior to the expiration of the escrow period (BUYER) DATE

2. CLOSING CHARGES - The BUYER shall pay the cost of the following: title insurance, recording fees, and any fees or costs incurred by the BUYER. These fees shall be paid at the time of closing.

3. ADJUSTMENT - Tax, water, sewer, and other charges shall be paid by the BUYER. If any, are to be paid by the SELLER, they shall be paid by the SELLER. The BUYER shall not be held by the City until after the closing of title.

4. CLOSING OF TITLE - The closing of title shall be held at the time and place specified by the SELLER in writing.

5. TITLE - Seller agrees to deliver a Bargain and Sale deed with Covenant Against Crampton Acts, Affidavit of Title, and a Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a title insurance company licensed to do business in the State of New Jersey. The title insurance company shall be the First American Title Insurance Company, Inc., 100 West Building B, Eatontown, New Jersey 07724. The title insurance company shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from First American Title Insurance Company, Inc., which is an affiliate of the Seller.

KHOV037388



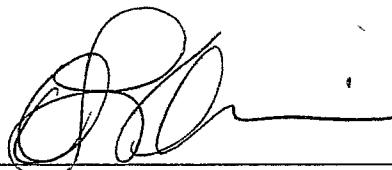
RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Mr. + Mrs. Francis* BLDG/UNIT: *2362* MODEL: *1330*

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on *July 30*, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

| | |
|---|----------------|
|  | <i>7/30/94</i> |
| BUYER | DATE |
| <i>Randi Francis</i> | <i>7/30/94</i> |
| BUYER | DATE |
| BUYER | DATE |
| BUYER | DATE |



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037390

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT MONTCLAIR, NJ, INC., SELLER; AND

Cynthia Guinn

, BUYER

UNIT D1, BUILDING 23, PURCHASE AGREEMENT DATE 21-May-1994

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH K. HOVNANIAN MORTGAGE CO., INC.; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYER'S MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

X Cynthia Guinn 8/18/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT MONTCLAIR, NJ, INC.

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037423

SUB

AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT MONTCLAIR, NJ, INC., SELLER; AND

Cynthia Guinn

, BUYER

UNIT D1, BUILDING 23, PURCHASE AGREEMENT DATE 21-May-1994

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH K. HOVNANIAN MORTGAGE CO., INC.; IF BUYER
SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER
BY SEPTEMBER 31, 1994; SELLER WILL CONTRACT WITH AND PAY AT
CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYER'S MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

X Cynthia Guinn 8/18/94
BUYER DATE

BUYER DATE

K. HOVNANIAN AT MONTCLAIR, NJ, INC.

BY: Laura Vanvelthoven
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037426

S U M M A R Y O F B A S I C P R O V I S I O N S

IC15

The SELLER: K. HOVNANIAN @NEWARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.
The BUYER(S): CYNTHIA D GUINN (u) of 2280 ANDREW AVE. #4H CDR
Tel: Res: (718) 367-3920 BRONX
Bus: (718) 293-7200 NY 10468.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.07
BLDG NO.: 23 , UNIT NO: D1 , MODEL: STH1330-G >LOWER

The PURCHASE PRICE : \$103,950.00
Consisting of:
BASE PRICE of MODEL \$103,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 21-MAY-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 21-MAY-1994
ADDITIONAL DEPOSIT \$ 2,118.50 BY DATE 20-JUN-1994
BALANCE at CLOSING \$100,831.50 PAID by CERTIFIED CHECK
Total PAYMENT \$103,950.00

MORTGAGE AMOUNT : \$100,000.00 MORTGAGE CONTINGENCY DATE: 20-JUL-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

P U R C H A S E A G R E E M E N T

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV037442



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of the final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

JOSEPH J. HANLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 1997

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will)(will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages, and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 21 day of May, 1994.

Buyer:

X Cynthia J. L...

Joseph J. Hanley

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

X Cynthia J. L... 5/21/94
BUYER DATE

BUYER

DATE

BY:

[Signature] 5/31/94
DIRECTOR OF MARKETING AND SALES DATE

KHOV037446



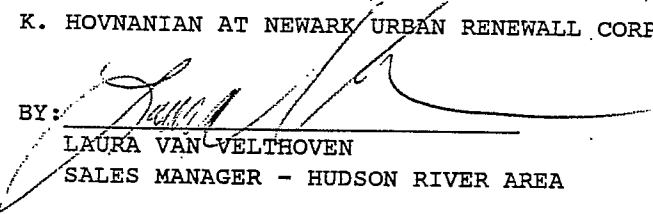
KHOV037447

ADDENDUM TO PURCHASE AGREEMENT
CLOSING COST CREDIT

TO: K. HOVNANIAN AT SOCIETY HILL III C&E
BUILDING 235 UNIT D2
PURCHASER Michael A. Harris

K. HOVNANIAN COMPANIES (SELLER) WILL PAY \$ 380.00, TOWARD CLOSING
COSTS ON THE ABOVE TOWNHOME.

K. HOVNANIAN AT NEWARK URBAN RENEWALL CORP. III

BY: 
LAURA VAN VELTHOVEN
SALES MANAGER - HUDSON RIVER AREA

10-13-84
DATE


PURCHASER

PURCHASER

DATE

KHOV037478

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K.HOVNANIAN (NEWARK-URB RENEWAL CORP) Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): MICHAEL A HARRIS (M) of 351 BROAD STREET/APT B515
Tel: Res: (201) 484-5654 NEWARK
Bus: (212) 916-2786 NJ 07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 23.08
BLDG NO.: 23 , UNIT NO: D2 , MODEL: STH1330-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

| | | | | |
|---------------------|---------------------|--------------|---------------------------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE | 09-JUL-1994 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE | 09-JUL 1994 |
| | ADDITIONAL DEPOSIT | \$ 2,298.50 | BY DATE | 08-AUG-1994 |
| | BALANCE at CLOSING | \$106,651.50 | PAID by (CERTIFIED) CHECK | |
| | Total PAYMENT | \$109,950.00 | | |

MORTGAGE AMOUNT : \$109,950.00 MORTGAGE CONTINGENCY DATE: 07-SEP-1994
Estimated COMPLETION DATE: 01-APR-1994
BY-MON-YEAR
21-SEP-1994 M.A.H.

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Michael Harris 7-9-94
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV037487

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K. HOVNANIAN (NEWARK-URB RENEWAL CORP (located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): MICHAEL A HARRIS (M) of 351 BROAD STREET/APT B515
Tel: Res: (201) 484-5654 NEWARK
Bus: (212) 916-2786 NJ 07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 23.08
BLDG NO.: 23 UNIT NO: D2 MODEL: SM11330-U UPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE of MODEL \$109,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 09-JUL-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-JUL-1994
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-AUG-1994
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$109,950.00 MORTGAGE CONTINGENCY DATE: 07-SEP-1994
Estimated COMPLETION DATE: 01-APR-1994
21-SEP-1994 M.A.H. BY-MON- YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Michael Harris 7-9-94
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV037504

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided in this Agreement, together with all closing costs.
7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.
8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.
9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.
10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.
11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.
12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.
13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.
14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor or designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will)(will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 9th day of July, 1994.

Buyer: Michael A. Harris

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Michael A. Harris 7-9-94
BUYER _____ DATE _____

BUYER _____ DATE _____

BY: [Signature] 7/18/94
DATE

KHOV037508

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 33

UNIT: D2

The Purchase Agreement Between Michael A. Harris, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 7/9/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 112,162.03
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 111,162.03
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 111,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 110,672.03.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

DATE

July 16, 1994

BUYER

Michael A. Harris

BUYER

BUYER

SELLER CORPORATION:

BY:

David
"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV037515

GB
AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Michael A. Harris

_____, BUYER

UNIT D2, BUILDING 23, PURCHASE AGREEMENT DATE 7/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY
CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER
31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Michael A. Harris
BUYER

July 30, 1994
Date

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: Laura VanVelthoven

LAURA VANVELTHOVEN
SALES MANAGER

KHOV037516

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 23

UNIT: D3

The Purchase Agreement Between Michael A. Harris, BUYER(S)
_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per
attached agreement dated 7/9/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 112,162.03
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 111,162.03
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 111,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 110,672.03.
6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.
7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

July 16, 1994
DATE

Michael A. Harris
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY:

[Signature]
"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV037521

SB
AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Michael A. Harris

_____, BUYER

UNIT D2, BUILDING 23, PURCHASE AGREEMENT DATE 7/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY
CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER
31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Michael A. Harris
BUYER

July 30, 1994
Date

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: [Signature]

LAURA VANVELTHOVEN
SALES MANAGER

KHOV037522

JB
AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

Michael A. Harris

_____, BUYER

UNIT D2, BUILDING 23, PURCHASE AGREEMENT DATE 7/9/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE
IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE
PURCHASE AGREEMENT, THE BUYER SHALL APPLY FOR AN APPLICATION FOR
MORTGAGE WITH EASTERN MORTGAGE SERVICES; IF BUYER SUBSEQUENTLY
CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY SEPTEMBER
31, 1994; SELLER WILL CONTRACT WITH AND PAY AT CLOSING

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN,
FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST
RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST
RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE
MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE
INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE
BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S
MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME
OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF
THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE
CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Michael A. Harris
BUYER

July 30, 1994
Date

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: _____
LAURA VANVELTHOVEN
SALES MANAGER

KHOV037527

AMENDMENT TO PURCHASE AGREEMENT

BUILDING: 33

UNIT: D2

The Purchase Agreement Between Michael A. Harris, BUYER(S)

_____, BUYER(S)

and K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC., SELLER

is amended to include Decorator Selections, Options and Upgrades as per attached agreement dated 7/9/94.

1. THE TOTAL PURCHASE PRICE IS INCREASED TO \$ 112,162.03
2. THE DEPOSITS PAID ARE INCREASED TO \$ 1,000.00
3. THE BALANCE BY CERTIFIED CHECK IS INCREASED TO \$ 111,162.03
4. THE MORTGAGE AMOUNT IS INCREASED TO \$ 111,000.00
5. THE PURCHASE PRICE TO BE REFLECTED ON DEED WILL BE \$ 110,672.03

6. IF BUYER(S) DO NOT OBTAIN A WRITTEN COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THIS AMENDMENT SHALL BE VOID AND OF NO FURTHER EFFECT. THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL THEN REMAIN IN FULL FORCE AND EFFECT EXCEPT AS MODIFIED BY PARAGRAPHS 1, 2 AND 3 ABOVE.

7. IF BUYER(S) OBTAIN A WRITTEN MORTGAGE COMMITMENT IN THE INCREASED MORTGAGE AMOUNT AS SET FORTH BY PARAGRAPH 4 ABOVE, THE PURCHASE AGREEMENT BETWEEN THE PARTIES SHALL BE AMENDED AS SET FORTH IN PARAGRAPHS 1, 2, 3 AND 4 ABOVE.

July 16, 1994
DATE

Michael A. Harris
BUYER

BUYER

BUYER

SELLER CORPORATION:

BY: _____

"SELLER"

K. HOVNANIAN AT NEWARK URBAN
RENEWAL CORPORATION III, INC.

KHOV037537

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K. HOVNANIAN ONEMARK-URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701

The BUYER(S): MICHAEL A HARRIS (M) of 351 BROAD STREET/APT B515
Tel: Res: (201) 484-5654 NEWARK
Bus: (212) 916-2786 NJ 07104
Paragraph # 200

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 LOT NO: 23.08
BLDG NO: 23 UNIT NO: D2 MODEL: 2TH 330-0 SUPPER

The PURCHASE PRICE : \$109,950.00
Consisting of:
BASE PRICE OF MODEL \$109,950.00

The PAYMENT TERMS :
INITIAL DEPOSIT \$ 0.00 ON DATE 09-JUN-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 09-JUN-1994
ADDITIONAL DEPOSIT \$ 2,298.50 BY DATE 08-AUG-1994
BALANCE at CLOSING \$106,651.50 PAID by CERTIFIED CHECK
Total PAYMENT \$109,950.00

MORTGAGE AMOUNT : \$109,950.00 MORTGAGE CONTINGENCY DATE: 07-SEP-1994
Estimated COMPLETION DATE: 01-APR-1994
21-SEP-1994 M.A.H. BY-MON- YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

Michael Harris 7-9-94
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

KHOV037538

AMENDMENT TO PURCHASE AGREEMENT
(UNIT PRICE)

BETWEEN: K. Hovnanian at Newark Urban Renewal Corporation III, Inc.
Seller; and

Michael A. Harris

, Buyer.

UNIT D2, BLDG. 23

PURCHASE AGREEMENT DATED: July 2, 1994

(1) The Agreement between and hereby is amended

(2) The Basic Provisions are changed and the Provisions and the be as follows:

THE PUR

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BASE PR
and Pre

ions of the Purchase on the above date be

th in the Summary of d its component parts the Summary of Basic chase Agreement shall

Lisa
New Contracts
have to be done
Price & Model
Change has
been done

old

(3) Any excess deposit monies caused by the above shall be refunded or credited to Buyer at the closing, as applicable.

(4) All other terms and conditions of the Summary of Basic Provisions and the Terms and Conditions - Purchase Agreement remain in full force and effect without alteration.

DATE _____

"SELLER"
K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION

DATE July 2, 1994

WITNESS AS TO SIGNATURES
OF ALL BUYERS:

Fin Weems

"BUYER"

Michael A. Harris

FORM PR/DOR
1/22/90

KHOV037539

SUMMARY OF BASIC PROVISIONS

IC10

The SELLER: K.HOVNANIAN @NEWARK-URB RENEWAL CORP ILocated at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701.

The BUYER(S): MICHAEL A HARRIS (M) of 351 BROAD STREET/APT B515
Tel: Res: (201) 484-5654 NEWARK
Bus: (212) 916-2786 NJ ,07104.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EEC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.08
BLDG NO.: 23 , UNIT NO: D2 , MODEL: STH1500-U >UPPER

The PURCHASE PRICE : \$114,950.00
Consisting of:
BASE PRICE of MODEL \$114,950.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 02-JUL-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 02-JUL-1994
ADDITIONAL DEPOSIT \$ 2,448.50 BY DATE 01-AUG-1994
BALANCE at CLOSING \$111,501.50 PAID by CERTIFIED CHECK
Total PAYMENT \$114,950.00

MORTGAGE AMOUNT : \$114,950.00 MORTGAGE CONTINGENCY DATE: 31-AUG-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

Michael A Harris 07-2-1994
(BUYER) DATE

(BUYER) DATE

(SELLER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV037540



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with a closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 5th day of July, 1994.

Buyer:

Michael A. Harris

Lisa M. Weems

Buyer:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Michael A. Harris 07-2-1994

BUYER

DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY:

DATE

KHOV037544



RE: K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

TO: *Michael Harris*

BLDG/UNIT: 23D2

MODEL: STH 1330 U

RECEIPT FOR PERSONALLY DELIVERED
PUBLIC OFFERING STATEMENT/PURCHASE AGREEMENT

This is to knowledge that on July 2, 1994 I/We personally received from the Sales Office at Society Hill at University Heights III, the Public Offering Statement* ("POS PACKAGE") and the Purchase Agreement.

* IN THE EVENT OF DEPOSIT OR PURCHASE AGREEMENT CANCELLATION THE P.O.S. PACKAGE MUST BE RETURNED TO THE SALES OFFICE. FAILURE TO DO SO MAY DELAY REFUND OF DEPOSIT MONIES.

Michael A. Harris *July 2, 1994*
BUYER DATE

BUYER DATE

BUYER DATE

BUYER DATE



by K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

KHOV037548

SUMMARY OF BASIC PROVISIONS

1010

The SELLER: K. HOVNANIAN @NEWARK URB-RENEWAL CORP. Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY 07701.

The BUYER(S): JULIET HOWARD (U) of 373 OLCOTT STREET
Tel: Res: (201) 678-8771 ORANGE
Bus: (908) 582-2133 NJ 07050.

ANGELINE HOWARD (U) of 373 OLCOTT STREET
Tel: Res: (201) 678-8771 ORANGE
Bus: () NJ 07050.

WILL occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS T11 E&C
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.09
BLDG NO: 23 , UNIT NO: E1 , MODEL: STH1050-GM 2-LOWER M.L. M

The PURCHASE PRICE : \$ 61,200.00
Consisting of:
BASE PRICE OF MODEL \$ 61,200.00

The PAYMENT TERMS : INITIAL DEPOSIT \$ 0.00 ON DATE 26-FEB-1994
ON SIGNING CONTRACT \$ 1,000.00 ON DATE 26-FEB-1994
ADDITIONAL DEPOSIT \$ 836.00 BY DATE 20-MAR-1994
BALANCE at CLOSING \$ 59,364.00 PAID by CERTIFIED CHECK
Total PAYMENT \$ 61,200.00

MORTGAGE AMOUNT : \$ 59,360.00 MORTGAGE CONTINGENCY DATE: 27-APR-1994
Estimated COMPLETION DATE: 01-APR-1994
BY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark
Urban Renewal Corporation III, Inc.

[Signature] 5/17/94
(SELLER) DATE

[Signature] 5/14/94
(BUYER) DATE

[Signature] 5/14/94
(BUYER) DATE

(BUYER) DATE

(BUYER) DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS - PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O. Box 500
Red Bank, NJ 07701

THIS PURCHASE AGREEMENT WILL SUPERSEDE AND TERMINATE THE PREVIOUS PURCHASE AGREEMENT DATED 2/26/94. HOWEVER, SINCE BUYER HAS ALREADY BEEN GIVEN THE REQUIRED SEVEN (7) DAY RIGHT OF RECISSION AND THREE (3) DAY ATTORNEY REVIEW, WHICH PROVISIONS HAVE EXPIRED, SUCH PROVISIONS FOR RIGHTS OF RECISSION IN THIS SUPERSEDING PURCHASE AGREEMENT ARE OF NO FORCE AND EFFECT.

KHOV037565

KHOV037566

TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS — All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Midlantic National Bank, 499 Thornall Street, Edison, NJ 08818, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. POSSESSION—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. BUYER'S REPRESENTATION—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. CHANGES IN PLANS—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. FIRE AND OTHER CASUALTY—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. LICENSE—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. DEFAULT OF BUYER—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. SELLER'S INABILITY TO DELIVER DEED—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. INCREASE IN TOTAL PURCHASE PRICE—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. ASSIGNMENT—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. NO CLOUD ON TITLE-LIENS—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. DECORATOR SELECTIONS—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. WARRANTIES—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. ENTIRE AGREEMENT REPRESENTATIONS—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 10, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction ~~(will)~~ (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on
this 14th day of May, 1994.

Buyer: *Juliet Howard*

Lisa M. Weems

Buyer: *Angeline Howard*

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

Juliet Howard 5/14/94
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

Angeline Howard 5/14/94
BUYER DATE

BY: *[Signature]* 5/17/94
DATE

KHOV037570

SUMMARY OF BASIC PROVISIONS

LC10

The SELLER: K.HOVNANTIAN @NEWARK URB RENEWAL CORP Located at:
10 HWY 35, P.O. BOX 500
RED BANK
NEW JERSEY , 07701

The BUYER(S): JULIET HOWARD (u) at 373 OLCOTT STREET
Tel: Res: (201) 678-8771 ORANGE
Bus: (908) 582-2133 NJ , 07050.

Will occupy the Premises as a Primary Residence upon closing of title.

The PROPERTY: PROJECT: SOCIETY HILL @ UNIV. HEIGHTS III EEC
NEWARK, NEW JERSEY.
BLOCK NO: 406 , LOT NO: 23.09
BLDG NO: 23 , UNIT NO: E1 , MODEL: STH1050-GM >LOWER M.L. M

The PURCHASE PRICE : \$ 61,200.00
Consisting of:
BASE PRICE of MODEL \$ 61,200.00

| | | | | |
|---------------------|---------------------|--------------|-------------------------|-------------|
| The PAYMENT TERMS : | INITIAL DEPOSIT | \$ 0.00 | ON DATE | 26-FEB-1994 |
| | ON SIGNING CONTRACT | \$ 1,000.00 | ON DATE | 26-FEB-1994 |
| | ADDITIONAL DEPOSIT | \$ 836.00 | BY DATE | 28-MAR-1994 |
| | BALANCE at CLOSING | \$ 59,364.00 | PAID by CERTIFIED CHECK | |
| | Total PAYMENT | \$ 61,200.00 | | |

MORTGAGE AMOUNT : \$ 59,350.00 MORTGAGE CONTINGENCY DATE: 27-APR-1994
Estimated COMPLETION DATE: 01-APR-1994
DY-MON-YEAR

PURCHASE AGREEMENT

This Agreement shall consist of the terms set forth on this page, and the terms and conditions as set forth in the "TERMS AND CONDITIONS - PURCHASE AGREEMENT" attached.

K. Hovnanian at Newark -
Urban Renewal Corporation III, Inc.

(SELLER)

DATE

(BUYER)

DATE

(BUYER)

DATE

(BUYER)

DATE

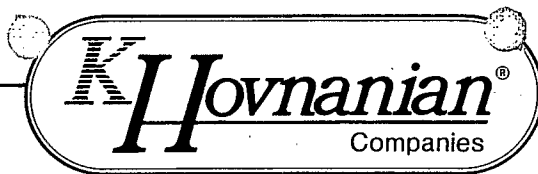
(BUYER)

DATE

Execution of both this SUMMARY and the attached "TERMS AND CONDITIONS- PURCHASE AGREEMENT" is required.

The BROKER: Landarama, Inc.
Attn: H. Michael McGreevey
10 Highway 35, P.O.Box 500
Red Bank, NJ 07701

KHOV037591



TERMS AND CONDITIONS — PURCHASE AGREEMENT

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THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE (3) BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS. YOU HAVE ADDITIONAL RESCISSION RIGHTS AS SET FORTH IN THIS AGREEMENT AND IN THE PUBLIC OFFERING STATEMENT.

1. DEPOSITS—All deposits shall be held in escrow (i.e., in trust) in "Society Hill at University Heights III Escrow Account" at Chemical Bank of New Jersey, N.A., 334 Madison Avenue, Morristown, New Jersey 07960, as escrow agent for K. Hovnanian at Newark Urban Renewal Corporation III, Inc. until closing of title or termination of this Contract, or until a bond or other guarantee acceptable to the Division of Housing and Development of the New Jersey Department of Community Affairs is provided. In no event shall the escrow be released prior to the expiration of the seven-day cancellation period. Interest accrued from such deposits shall belong to Seller and shall not be credited towards the purchase price.

2. CLOSING CHARGES—If this is a cash sale, and Buyer desires title search, title examination, title insurance policy, survey, or survey certification, Buyer will pay the costs for same. If this is a mortgage sale, Buyer will pay the expenses in the preceding sentence and also mortgage application fee, credit report, appraisal, mortgage title insurance and any fees or costs required by mortgagee. These fees expressly exclude escrows and prepaid charges incidental to a mortgage closing.

3. ADJUSTMENT—Taxes for the current year, municipal assessments, maintenance fees, utilities, water and sewer charges, and interest, if any, are to be apportioned as of the date of closing. (Taxes will probably not be billed by the City until after the closing.)

4. CLOSING OF TITLE—Closing of title is to take place immediately after completion of the unit at the time, date and place specified by Seller in notice to Buyer but in no event prior to the estimated completion date as stated on the SUMMARY OF BASIC PROVISIONS without Buyer's consent. Completion shall be evidenced by a Certificate of Occupancy issued by the Municipality, which may be a temporary Certificate of Occupancy. Neither Seller nor mortgagee supplies or pays for Buyer's attorney. Buyer may have his own attorney at Buyer's own expense. The Buyer will close title even if all site improvements and other improvements have not been completed. By way of compliance with the Interstate Land Sales Act, the Seller states that this Agreement is for the sale of a condominium unit on improved land which the Seller, if there are no unanticipated circumstances totally outside of the control of the Seller, is obligated to erect within a period of two years. If Buyer is unable or refuses to close on the date and the time specified by Seller as set forth above, at Seller's option, Seller may exercise its rights set forth in paragraph 12 below or have Buyer reimburse Seller at or prior to closing for the total reasonable carrying and administrative costs for postponing the closing to another time, date and place specified by Seller which sum shall not exceed 10% of the total purchase price plus optional upgrades ordered and installed in the Unit. Proceeds of closing are to be paid to Seller only by certified or bank cashiers check. Uncertified attorney's trust account or other checks are not acceptable.

5. TITLE—Seller agrees to deliver a Bargain and Sale Deed with Covenant Against Grantor's Acts, Affidavit of Title, and Corporate Resolution at closing of title. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey. The willingness of Eastern Title Agency, Inc., One Industrial Way West, Building B, Eatontown, New Jersey 07724, as agent for First American Title Insurance Company, to insure title to the premises shall constitute good and marketable title. Buyer is not obligated to obtain title insurance from Eastern Title Agency, Inc., which is an affiliate of the Seller.

6. **POSSESSION**—Possession will be given by delivery of the Deed upon completion of final closing and receipt of the full purchase price by the Seller as provided for in this Agreement, together with all closing costs.

7. **BUYER'S REPRESENTATION**—Buyer represents that he has received a copy of the Public Offering Statement, the Master Deed and Bylaws (the "Documents") and that he will comply with the terms of the Documents.

8. **CHANGES IN PLANS**—Seller shall have the right to make substitution of materials, equipment or make design changes whenever Seller shall find it necessary or expedient in its absolute discretion, provided that such substitutions or changes are of comparable or better quality. Furnishings, of course, are not included.

9. **FIRE AND OTHER CASUALTY**—The risk of loss or damage to the property by fire or otherwise until closing of title is on the Seller.

10. **MEMBERSHIP IN SOCIETY HILL AT UNIVERSITY HEIGHTS CONDOMINIUM ASSOCIATION III, INC.**—Upon closing of title, Buyer will automatically become a member of Society Hill at University Heights Condominium Association III, Inc. (the "Association"). The Association will provide supervision, fiscal and general maintenance and management for any recreation areas, common areas, and Association owned lands, including the assessing and collection of common expenses, and has the authority to promulgate rules and regulations as to the use of any recreational areas and common areas of the development. At closing of title, Seller shall collect on behalf of the Association a non-refundable maintenance deposit in an amount equal to three (3) months estimated maintenance fees. This deposit will be administered in accordance with the Master Deed and the Bylaws of the Association.

11. **LICENSE**—The Buyer does hereby authorize and grant to the Seller the irrevocable right to enter into, upon, over or under the premises for a period of two (2) years after the date of closing on prior notice to Buyer and at reasonable hours (except in cases of emergency) for the completion of construction, repair, emergency matters or pursuant to governmental order or requirement. This provision shall survive closing.

12. **DEFAULT OF BUYER**—Should Buyer fail to make payments, violate any of the conditions or covenants or fail, for any reason, to close title (i.e., complete the purchase) according to the terms and conditions of this Agreement, the Buyer will be in default (i.e., will have broken Buyer's promises in this agreement). If the Buyer is in default, the Seller may retain payments made by Buyer, but not more than ten (10%) percent of the purchase price, plus the amount of any options or upgrades installed by Seller. Seller will retain the money either on account of the purchase price or as liquidated damages. Liquidated damages are a fixed amount to be paid to Seller which the parties agree will be a reasonable estimate of the damages in the event of Buyer's default, since Seller's actual damages would be difficult to establish. If Seller elects to retain money as liquidated damages, this contract shall become null and void in which event the Seller agrees to return to Buyer all remaining money, if any.

13. **SELLER'S INABILITY TO DELIVER DEED**—If Seller's title proves unmarketable, or if Seller does not construct, complete, or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Buyer may elect to cancel this Agreement. This must be done by serving written notice of cancellation upon the Seller within fifteen (15) calendar days after the date which is six (6) months following the specified Estimated Completion Date. In the event that Buyer elects to cancel this Agreement as described in the preceding sentence, Seller's sole obligation shall be to return all deposit monies paid under this Agreement, without interest, and reimburse Buyer for the actual cost of title search and survey, if any, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 13 and this contract shall become null and void. If this Agreement is not cancelled as described in this paragraph, then this Agreement shall remain in full force and effect and Seller will not be responsible for any expenses which the Buyer might incur as a result of the delay in closing. The phrase "for any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental agency's imposition of a moratorium on construction or any such agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

14. **INCREASE IN TOTAL PURCHASE PRICE**—If Seller is or will be unable to construct, complete or convey the dwelling unit referred to in this Agreement within six (6) months of the date specified on the Summary of Basic Provisions as the Estimated Completion Date due to any reason beyond the control of the Seller, Seller may increase the Total Purchase Price of the unit in accordance with the terms of this paragraph. The phrase "due to any reason beyond the control of the Seller" is hereby defined as including but not limited to any governmental body or agency's imposition of a moratorium on construction or any such body or agency's failure to issue or its revocation or suspension of any permits and/or approvals necessary for the Seller to perform its obligation in accordance with the terms of this Agreement.

The Seller must give the Buyer written notice of the increase in the Total Purchase Price at least sixty (60) days prior to closing of title. In no event shall any such increase take effect during the six (6) month period following the Estimated Completion Date. If the Buyer does not wish to pay the increase, the Buyer may elect to cancel this Agreement. In order to cancel this Agreement, the Buyer must provide the Seller with written notice. To be effective, the written notice of cancellation must be received by the Seller no more than ten (10) days after the Buyer received notice of the price increase. If a notice of cancellation is not received by the Seller during that ten (10) day period, the Buyer will have agreed to pay the increased Total Purchase Price specified in the notice of increase. The increased Total Purchase Price will be substituted for that specified in the Summary of Basic Provisions. The amount of the increase will be added to the balance due which the Buyer must pay in cash at closing of title.

If the Buyer provides a proper notice of cancellation, the Seller will promptly refund all deposit monies paid, without interest, within 10 business days of Seller's receipt of Buyer's notice of cancellation pursuant to this paragraph 14. When the Buyer has received this refund, neither the Seller nor the Buyer will have any further obligation to one another under this Agreement.

15. **ASSIGNMENT**—Buyer expressly agrees not to assign, sell or in any manner transfer this Agreement or any right, title and interest in this Agreement.

16. **NO CLOUD ON TITLE-LIENS**—If the property is subject to a mortgage or other lien (i.e., legal claim) at time of closing of title, the mortgage or other lien shall not constitute a title defect, but may be satisfied from the proceeds of sale.

17. **DECORATOR SELECTIONS**—Buyer agrees to make decorator, appliance and extra item selections when requested to do so by Seller. If Buyer fails to make such selections within the time period requested by Seller, Buyer hereby agrees that Seller shall make such selections for Buyer and Buyer agrees to accept such selections.

18. **WARRANTIES**—Seller shall warrant the construction to the Buyer as provided in the New Home Warranty and Builders' Registration Act, N.J.S.A. 46:3B-1 et. seq. (the "Warranty Act"). Seller also warrants the construction of the common facilities for a period of two (2) years from the date of completion of each facility and that they are fit for their intended use. Further, the Seller warrants the following to be free from defects due to material and workmanship for a period of one (1) year from the date of closing: outbuildings, driveways, walkways, patios, retaining walls and fences, if any. Seller also warrants that all drainage is proper and adequate and that offsite improvements, if any, are free from defects for a period of one year from the date of construction. Except as stated in this Agreement, there are no other warranties, express or implied. In particular, there is no implied warranty of fitness for a particular purpose, nor is there any implied warranty of merchantability. While Seller maintains control of the Board of Trustees of the Association, he shall take no action which adversely affects a homeowner's rights under the Warranty Act. Claims relative to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

19. **ENTIRE AGREEMENT REPRESENTATIONS**—This Agreement, any Riders attached to this writing and the Application for Registration filed with the New Jersey Division of Housing and Development contain the entire agreement between the parties. Any modification of this Agreement shall not be binding unless such modification shall be in writing and signed by both the Buyer and an officer of Seller. This Agreement shall be binding upon and inure to the benefit of the parties respective heirs, successors, administrators and executors. Neither this Agreement nor any document referencing this Agreement shall be recorded in any public office; violation of this provision will be deemed a material default of this Agreement.

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20. SITE VISITS—No Buyer nor contractor designated by the Buyer shall be allowed to do any work whatever in any home prior to closing of title. Insurance regulations preclude Buyer entry into homes under construction without being accompanied by Seller's Representative. Visits to a unit under construction are limited to one (1) visit except for the preoccupancy inspection (see paragraph 21, below) prior to closing of title and are not allowed after the commencement of the final finish stage of construction and shall not occur after 11 AM on any weekend day. (All visits shall be by appointment only.) It is expressly agreed that a breach of this paragraph shall constitute a default under this Agreement.

21. PREOCCUPANCY INSPECTION—Seller will specify the time and date for a walk-through inspection of the property by Buyer. This inspection will be conducted on the date of closing or no more than three (3) days prior thereto at Seller's election. Those items which may be required to be completed or repaired in order to satisfy building code or Warranty Act standards will be entered on a preoccupancy inspection report. The listed items will be repaired or completed as soon as possible after closing. Defects in painted surfaces, chipped porcelain, plumbing fixtures, kitchen appliances, countertops, carpeting, flooring, chipped tiles, screens, glass surfaces or similar defects not noted on this walk through for correction are excluded from the Seller's responsibility. It is understood that the listed items shall not constitute a bar to closing of title, and that the closing of title will be held in accordance with this Agreement.

22. CHANGES IN PRICE—Buyer understands that Seller may offer similar units at prices higher or lower than this unit's purchase price.

23. MORTGAGE CONTINGENCY—This Paragraph 23 is applicable only if a "Mortgage Amount" is filled in on the SUMMARY OF BASIC PROVISIONS. Buyer represents to Seller that he is in need of a mortgage to complete this transaction. Within ten (10) business days of the date on which this Agreement is fully executed, the Buyer shall make application for a mortgage commitment to an institutional lender (i.e., bank, mortgage company, savings and loan association or other financial institution which issues mortgage loans). This Agreement is contingent upon Buyer obtaining a written mortgage commitment no later than the Mortgage Contingency date, for not more than the mortgage amount stated in the SUMMARY OF BASIC PROVISIONS, at the prevailing rate of interest based upon a payment term of not less than 30 years. Seller reserves the right, in its sole discretion, to extend the Mortgage Contingency date for a period of up to 45 days beyond the original Mortgage Contingency date.

If requested by Seller, Buyer shall complete and execute an application for a mortgage loan and leave it with Seller, together with a \$300.00 standby mortgage application fee, which shall be designated a "Standby Mortgage Application". The Standby Mortgage Application and fee shall be delivered to Seller within five (5) business days after the Seller's request for same. If Buyer has not obtained a mortgage commitment from its own lender by the Mortgage Contingency Date, or if Buyer requests that the Seller submit the Standby Mortgage Application, then Seller, in its sole discretion, shall be authorized to submit Buyer's Standby Mortgage Application and fee to any lender of Seller's choice, including K. Hovnanian Mortgage of N.J., Inc., an affiliate of Seller. If Buyer gets its own mortgage commitment from its own lender without Seller having submitted the Standby Mortgage Application and fee to any lender or if Seller chooses not to submit the Standby Mortgage Application to any lender, then the \$300.00 Standby Mortgage Application fee shall be returned to the Buyer.

The mortgage commitment to be issued hereunder may be for any type of mortgage in use in the State of New Jersey. The term "prevailing rate of interest" is defined to mean the rate (as of the date of closing of title) charged by any institutional lender doing business in the state of New Jersey. The Buyer shall timely and fully comply with all the requests of the mortgage lender in order to determine if Buyer qualifies for such mortgage loan. Buyer shall not withdraw any loan application, or refuse any reasonable commitment offered to Buyer and shall pay any and all fees and charges in connection with such application and commitment. Seller shall have no obligation to pay any fees, costs, points or other charges in connection with Buyer's mortgage commitment, unless agreed to in writing by Seller. Buyer hereby authorizes Buyer's lending institution to release to Seller, upon Seller's request, all information contained in and regarding Buyer's mortgage loan application. In the event that Buyer receives a mortgage commitment containing conditions or contingencies for which Buyer is responsible, it shall be the Buyer's obligation to satisfy such conditions or contingencies so that closing of title can take place in accordance with paragraph 4 of this Agreement. Failure of Buyer to satisfy such conditions or contingencies shall be deemed a default by Buyer. If Buyer receives a mortgage commitment containing the contingency that Buyer must sell or lease Buyer's present residence or property, and Buyer fails to satisfy such contingency and subsequently fails to complete the purchase of the unit in accordance with this Agreement, then Buyer shall be in default of this Agreement.

If this Paragraph 23 is applicable, Buyer represents that his funds available for closing will include a minimum of five (5%) percent of the purchase price from Buyer's personal funds and that Buyer will have the difference between the purchase price and any mortgage amount to be obtained available for closing. For purposes hereof, "Buyer's personal funds" shall mean any funds of Buyer other than those received as (1) a loan or (2) a gift which has been received by Buyer within one (1) year of the date of this Agreement. If Buyer is denied a mortgage commitment based upon Buyer's misrepresentations as to the above, (1) such denial shall not allow the Buyer to elect cancellation of this Purchase Agreement and (2) Buyer shall be deemed to have elected to have waived the mortgage contingency and Buyer must go ahead with the purchase (with or without a mortgage) or be deemed to be in default of this Agreement.

If Buyer notifies Seller in a writing Seller receives before the Mortgage Contingency Date that Buyer has not obtained a mortgage commitment, then Buyer shall provide Seller with proof that Buyer timely made application for a mortgage commitment and proof that such application was either denied or is still awaiting determination. Buyer shall also advise Seller in writing whether Buyer: (a) elects to waive (i.e., give up) the mortgage contingency and go ahead with the purchase without a mortgage; or (b) requests cancellation of the Agreement and return of all deposits paid without penalty; or (c) requests an extension of the Mortgage Contingency Date. Any request to extend the Mortgage Contingency Date must be in writing and received by Seller before the Mortgage Contingency Date. No mortgage contingency shall be extended to a new date unless specifically agreed to in writing by Seller before the then current Mortgage Contingency Date is reached.

If Buyer elects to waive the Mortgage Contingency, then the Agreement shall remain in full force and effect without any mortgage contingency and Buyer must go forward with the purchase. If Buyer requests cancellation of the Agreement, then Seller shall have five (5) business days to: (1) agree to return all deposit monies without interest and cancel this Agreement, or (2) direct Buyer to apply for a mortgage commitment consistent with the term, amount, and interest rate criteria as set forth above at a lending institution selected by Seller, and Buyer agrees to execute all documents, timely and fully comply with all reasonable requests of such lender, and pay all reasonable fees and costs in connection with this application, or (3) agree to take back a purchase money mortgage from the Buyer at the then prevailing rate of interest in which case Buyer must go forward with the purchase. In the event a mortgage commitment is not obtained within 60 days from the date of second application or if Seller elects not to take back a mortgage, Seller shall return all deposit monies to the Buyer without interest and this Agreement shall be of no further effect.

FAILURE OF BUYER TO NOTIFY SELLER IN WRITING ON OR BEFORE THE MORTGAGE CONTINGENCY DATE THAT A MORTGAGE COMMITMENT HAS NOT BEEN OBTAINED SHALL CONSTITUTE AN ELECTION BY BUYER TO WAIVE THE MORTGAGE CONTINGENCY AND THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT WITHOUT ANY MORTGAGE CONTINGENCY. THIS MEANS THAT BUYER MUST GO FORWARD WITH THE PURCHASE, EVEN WITHOUT A MORTGAGE. IF BUYER DOES NOT GO FORWARD WITH THE PURCHASE, HE WILL BE IN DEFAULT.

The issuance of a mortgage commitment to Buyer which conforms to the terms set forth above shall constitute full satisfaction of this paragraph 23 and Buyer will be required to go forward with the purchase. If the mortgage commitment is later withdrawn,

cancelled, terminated or if it lapses for any reason, including but not limited to a change in the Buyer's financial status, and Buyer fails to close title, Buyer shall be in default of this Agreement. However, Buyer shall not be in default if the mortgage commitment is cancelled or terminated due to Seller's failure to timely close title in accordance with the terms of this Agreement.

24. Insulation—In compliance with Federal Trade Commission Regulations Rule 16 C F R Part 460, the following information concerning insulation in your Society Hill at University Heights III home is furnished: (A) The Seller installs fiberglass batt type of insulation which is manufactured to have an R value of R-13 in outside walls (the Combined R value of outside wall assembly at the insulation cavity is R-14 where applicable) and R-13 for block or stud walls separating basements and/or garages from finished unit areas (but not for other basement walls and/or garage walls) and R-30 in ceilings below attic space and R-11 between floors. Insulation is not installed between lower and upper floors of townhouse models. (B) For slab on grade floors, the Seller installs 1" rigid foam perimeter insulation, which is manufactured to have a minimum R value of R-5, downward from the top of the slab for a minimum distance of 24 inches or downward to the bottom of the slab then horizontally beneath the slab for a minimum total distance of 24 inches. The primary entrance door is an insulated steel sheathed door and is fully weather stripped. Windows and sliding doors are dual glazed and thermally broken. Anti-air infiltration measures taken include the installation of a sill seal. (C) The manufactured thickness of the above types of insulation is as follows: R-13 is 3 5/8"; R-11 is 3 1/2"; R-30 is 9"; rigid foam perimeter insulation is 1".

25. AFFORDABLE UNITS—Society Hill at University Heights III includes up to 76 residential dwellings which are subject to an affordable housing agreement with the City of Newark. These affordable units have second mortgage and other restrictions which will limit their resale price. The affordable units will pay thirty-three and one-third (33 1/3%) percent of the total individual unit assessment which would have been levied upon all condominium units in Society Hill at University Heights III had such assessment been allocated equally to each and every condominium unit both market and affordable. The owners or residents of the affordable units will be entitled to the same rights and subject to the same rules and regulations, except as provided for in the Master Deed and Bylaws for Society Hill at University Heights III, as the owners or residents of the market units.

26. OWNER/INVESTOR REPRESENTATION—The Seller is seeking to limit the number of non-owner occupied unit purchasers to 20%. Buyers who will not occupy the unit as their primary residence shall be required to deposit 20% of the total purchase price at time of contract execution, while Buyers who will occupy the unit as their primary residence shall deposit 10% of the total purchase price at contract execution. For this Purchase Agreement to be operative, the following affidavit regarding residency must be fully completed, executed and notarized.

27. ATTORNEY REVIEW CLAUSE—

A. Study by Attorney: The Buyer or the Seller may choose to have an attorney study this contract. If an attorney is consulted, the attorney must complete his or her review of the contract within a three-day period. This contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the contract.

B. Counting the Time: You count the three days from the date of delivery of the signed contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

C. Notice of Disapproval: If an attorney for the Buyer or the Seller reviews and disapproves of this contract, the attorney must notify the Broker(s) and the Seller within the three-day period. Otherwise this contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) and Seller at the complex's Sales Office (not to the below address) by certified mail, by telegram, or by delivering it personally. The telegram or certified letter will be effective upon sending. The personal delivery will be effective upon delivery to the Broker's or Seller's offices. The attorney should also inform the Broker(s) and Seller of any suggested revisions in the contract that would make it satisfactory.

State of New Jersey) ss.
County of Essex)

LISA M. WEEMS
NOTARY PUBLIC OF NEW JERSEY
My Comm. Expires Sept. 18, 1994

I, the undersigned Buyer(s), being duly sworn upon my oath under law, hereby state that the unit referenced in this transaction (will) (will not) be occupied as their primary residence upon closing of title. Any misrepresentation or change by the undersigned Buyer(s) as to this fact shall be a material breach of this agreement and shall constitute a default. This representation shall survive closing of title. If the default occurs prior to closing, such default shall result in the forfeiture of all deposits up to 10% of the total purchase price in addition to 100% of options and upgrades installed as liquidated damages and the contract shall be null and void. If the Buyer(s) has represented that he will occupy the unit and fails to do so within thirty (30) days of closing of title, the Seller reserves all rights and remedies at law and in equity, including rescission (i.e., cancellation of the transaction), inasmuch as Buyer's representation that he will occupy the unit was a material reason for Seller having entered into the Contract of Sale.

Sworn and subscribed before me on

this 26th day of February, 1994.

Buyer: x Juliet Howard

Lisa M. Weems

Buyer: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

BUYER ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC OFFERING STATEMENT.

NOTICE TO PURCHASERS

YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT OR AGREEMENT BY SENDING OR DELIVERING WRITTEN NOTICE OF CANCELLATION TO THE DEVELOPER BY MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE DAY ON WHICH IT IS EXECUTED. SUCH CANCELLATION IS WITHOUT PENALTY, AND ALL MONIES PAID SHALL BE PROMPTLY REFUNDED IN THEIR ENTIRETY.

BUYER

x Juliet Howard

2/26/94
DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL
CORPORATION III, INC.
10 HIGHWAY 35, P.O. BOX 500
RED BANK, NEW JERSEY 07701 (908) 747-7800

BUYER

DATE

BY:

Wayne Soojian
WAYNE SOOJIAN,
DIRECTOR OF MARKETING AND SALES

3-1-94
DATE

KHOV037595